

# DAILY REPORT

## CONTENTS

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### JAPAN

Reaction to Market-Opening Tariff Cuts Mixed	C 1
Report on Action Program	C 1
Additional Tariff Cuts	C 2
EC 'Source' Not Optimistic	C 3
NTT Official Hails Cuts	C 3
French Minister Asks for More	C 4
Nakasone Addresses Meeting	C 4
Government To Decontrol Large-Scale Deposit Rates	C 5
Leading Economic Indicators Show Mixed Results	C 6
Decline in April	C 6
Continued Growth Reported	C 6
Foreign Factors To Blame for Trade Imbalance	C 7
Defense Chief on Continued Dialogue With PRC	C 7
Diet Session Ends, Antispy Bill Carried Over	C 8
'Soseikai' Holds Meeting, 51 Dietmen Represented	C 9
Top Defense Agency Officials Reshuffled	C 10
Finance Minister on 'Group of 10' Meeting	C 10

### NORTH KOREA

Pyongyang Rally Marks 'Anti-U.S. Struggle Month'	D 1
Kim Pong-chu Address	D 1
U.S. Accused of Mass Destruction in Korean Conflict	D 6
NODONG SINMUN Demands U.S. Withdrawal From South [25 Jun]	D 7
U.S. Military Buildup in South Korea Decried	D 11
[NODONG SINMUN 25 Jun]	
NODONG SINMUN Scorns South Stand Toward Dialogue	D 13
25 June Commentary	D 13
26 June Commentary	D 15
PRC Paper Demands U.S. Withdrawal From South	D 17
Newly-Appointed Member of CPV Entertained	D 17
WPK Provincial Delegation Leaves for PRC	D 17

### SOUTH KOREA

North's Helicopters Deployed in Combat Posture	E 1
[THE KOREA TIMES 26 Jun]	
ROK To Counterpropose Date of Preliminary Meeting	E 1
Government To Demand Flight Route to Chicago	E 2
[THE KOREA HERALD 26 Jun]	
Japan Tariff Cut Little Help in Reducing Deficit	E 2
[THE KOREA HERALD 26 Jun]	
Guinea Bissau President Arrives on State Visit	E 3
Summit Talks Held	E 4
NKDP To Demand Extra Assembly Session on Amnesty	E 4
[THE KOREA TIMES 25 Jun]	

Daewoo Workers' Sit-In Spreads to Other Firms [THE KOREA HERALD 26 Jun]	E 4
Dismissed Labor Union Leaders To Be Reinstated [THE KOREA TIMES 25 Jun]	E 5
Student Contacts U.S. Embassy on Walker Meeting [CHOSON ILBO 26 Jun]	E 5

## CAMBODIA

Thai Air, Sea, Ground Violations 16-22 Jun Noted	H 1
Lao Military Delegation Continues Visit	H 1
Meets Chea Sim	H 1
Visits Kompong Cham	H 2
Departs 25 June	H 2
Party Secretariat Circular on KPRP Anniversary	H 3
Phnom Penh Decries Thai Repatriation Plan	H 4
Cambodian Chairman Discusses Nation's Future [cross-reference]	H 5
Paper Examines Low Morale of SRV Soldiers [Bangkok BANGKOK POST 25 Jun]	H 5
Noncommunists To Work on Joint Military Command [Bangkok BANGKOK POST 26 Jun]	H 7
VONADK Details Attacks on Sisophon, Pailin	H 8

## THAILAND

American Embassy in Bangkok Receives Bomb Threat [BANGKOK POST 26 Jun]	J 1
Finance Minister Leads Delegation to Japan	J 1
Phichai Says Japanese Tariff Cuts 'Beneficial' [BANGKOK POST 26 Jun]	J 1
British Official Meets Prem, Discusses Trade [BANGKOK POST 25 Jun]	J 2
Officer Outlines Steps in Airport Security [BANGKOK POST 26 Jun]	J 2
Ministry Comments on PRC Shooting Incident [BANGKOK WORLD 25 Jun]	J 3
Trade Delegation Visits East Europe, Austria	J 3
Ministry To Screen Lao for Refugee Status [BANGKOK POST 26 Jun]	J 4

## VIETNAM

Le Duan Departs for Moscow Visit 25 June	K 1
Indian Party Group Meets With Officials	K 2
Welcomed by Truong Chinh	K 2
Talks With Truong Chinh	K 2
Le Duan Receives Group	K 2
UN Envoy Opposes Militarization of Outer Space	K 3
Vo Van Kiet on Jobs for Youth in 3d Plan Period	K 4
Talk Held for DPRK Anti-U.S. Struggle Month	K 5
Work of 9th National Assembly Session Reported	K 5
Communique No 2 Issued	K 6
Council of Ministers Promulgates Export Regulation	K 6
Thai Students Protest Purchase of U.S. F-16's	K 6

## PHILIPPINES

Council Created To Speed Up Economic Recovery	P 1
AFP Report	P 1
Opposition Urges Marcos Not To Delay Elections [AFP]	P 2
Enrile Warns of Losing Will To Fight Communists	P 2
[BULLETIN TODAY 22 Jun]	
Cebu Leaders Ask for Meeting To Discuss Problems	P 3
[BULLETIN TODAY 24 Jun]	
Army Prepares for All-Out Offensive in Negros	P 4
[VERITAS 23 Jun]	
Army Suffers 3 Dead in Misamis Oriental Clashes	P 6
[BULLETIN TODAY 25 Jun]	
Columnist Writes on Security Situation in Panay	P 6
[ANG PAHAYAGANG MALAYA 12 Jun]	
World Bank Interested in Helping Sugar Industry	P 8
[BUSINESS DAY 24 Jun]	

REACTION TO MARKET-OPENING TARIFF CUTS MIXED

## Report on Action Program

OW250939 Tokyo KYODO in English 0915 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- Prime Minister Yasuhiro Nakasone Tuesday ordered greater speed in the compilation of the outline of Japan's market-opening action program so that it will be ready by early July before he leaves for a 10-day tour of four European nations on July 12. Nakasone, chairing a governmental panel for drawing up external economic measures held Tuesday morning, said it is vital for the country to improve Japan's standards and certification systems, which should become the symbol of Japan's efforts to open its markets, officials said.

The premier showed strong dissatisfaction over delays in work to make the Japanese systems free in principle with restrictions as the exception, the officials said. He also told the meeting at this official residence that the country also needs to fully explain its stance on excluding many products, such as chocolate and natural cheese, which are of special concern to Europe, in Tuesday's new tariff cut measures. He said further efforts to lower those tariffs are vital, the officials said.

The meeting was the third of its kind since the government announced last April 9 that it was to compile the action program, aiming to introduce market-opening measures over the next three years, by the end of next month. Economic ministers and top ruling Liberal-Democratic Party (LDP) officials had originally been scheduled to announce the tariff cut, which is part of the program, to fend off criticism at the Association of Southeast Asian Nations (ASEAN) economic ministerial meeting on June 27 and 28 in Tokyo.

However, the cabinet-ruling party meeting decided to add an interim report on the program to explain it more fully when Nakasone meets Asian and European leaders to discuss ways to improve Japan's standards and certification systems, often called its non-tariff barriers, the officials said.

The meeting established a committee to compile an action program on the systems Tuesday and will hear directly from foreigners living in Japan Wednesday on how Japan's systems are adversely affecting their activities in Japan, they said. The program will include other measures, besides those concerning tariffs and the standards and certification systems, on improvement of import procedures, governmental emergency procurements, liberalization of financial markets and the internationalization of yen and wider access to the Japanese services field, the officials said.

Foreign Minister Shintaro Abe said Tuesday's tariff cut measures are only the beginning of Japan's market-opening steps and an overall evaluation should come after it announces comprehensive measures on improving the standards and certification systems and expanding imports next month. Abe also said at the meeting that the tariff cut on bananas would not satisfy the Philippines. Nakasone also admitted the matter would require careful reconsideration, the officials said.

According to the Finance Ministry, Tuesday's package of tariff cuts of 20 percent or more on 1,850 import items is expected to reduce Japan's customs duty revenues by some 70 billion yen a year on a fiscal 1983 basis, the officials said.



Besides tariff cut measures, the meeting called for removal of all tariffs on high technology products by industrial countries to revitalize the world economy through expansion of high-tech trade.

The meeting also made clear Japan's determination to remove all tariffs on industrial goods in concert with other developed nations for promoting a new round of multilateral trade negotiations. Japan has become the first nation in the world to show a strong and concrete willingness to start a new round of General Agreement on Tariffs and Trade (GATT) talks, a top economic planning agency official said.

The official admitted, however, the tariff cuts on farm products, including three symbolic items of particular concern to Southeast Asian nations -- boneless chicken, bananas and palm oil -- met strong opposition from the Agriculture, Forestry and Fisheries Ministry up to the last minute of Monday's preparatory talks.

The tariff on boneless chicken, imported mainly from Thailand, will be reduced to 14 percent from 18 percent, but it will still be higher than the current tariff of 11.3 percent for unboned U.S. chicken. The Tariff on bananas, mainly from the Philippines, will be down to 25 percent from 35 percent in the October-March season and to 12.5 percent from 17.5 percent in the April-September period. However, the preferential tariff on palm oil, imported mainly from Malaysia, will be abolished.

The government will take necessary legislative and other steps to lower the tariffs by as early as next January, or more likely from April 1, the official said. The 1,850 tariff cut items include 480 items (or some 60 percent) of the 779 items on which foreign nations had strongly demanded lower tariffs, the official said. Among the 480 items there are 80 farm goods, or only 30 percent of the 304 agricultural items mentioned by overseas countries, compared with 400 or 80 percent of the 475 industrial goods mentioned, the official said.

Touching on a scheduled tariff cut on plywood by April 1987, Nakasone said the country will make every effort to abide by its promise made in the April 9 governmental announcement on market-opening steps. Nakasone made the remark after Agriculture, Forestry and Fisheries Minister Moriyoshi Sato said his ministry will not be able to accept tariff cuts on plywood unless the Finance Ministry extends a proposed 201 billion yen tax measure to rescue the domestic plywood industry. Tariff cuts in any country involve a lot of political ramifications one Foreign Ministry official said.

#### Additional Tariff Cuts

OW251229 Tokyo KYODO in English 1216 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- Japan will cut tariffs on chocolate and natural cheese, and widen the margin of tariff cut on bananas during the three-year implementation period of its "action program" for further opening of the Japanese market, to be announced late next month. This will be in addition to sweeping tariff reductions announced earlier Tuesday.

Chief Cabinet Secretary Takao Fujinami said the additional measures had been decided by the joint task force on external economic measures under instructions from Prime Minister Yasuhiro Nakasone, who heads it. He also said that the planned tariff cut on plywood (made from both needle- and broad-leaf trees) will be carried out from April 1, 1987.

The package of tariff reductions adopted earlier by the task force envisaged a 5-10 percentage-point duty cut on bananas from the Philippines, (from 35 percent to 25 percent in the October-March period and from 17.5 percent to 12.5 percent in the remaining period). It also specified chocolate and natural cheese as items excepted from the announced tariff reduction. The United States and Western Europe have been pressing for tariff cuts on these two products.

Regarding plywood, the government's market-opening package, announced on April 9, remained ambiguous about timing, merely saying that tariffs on the product will be lowered from about three years hence. Plywood is of particular concern for the U.S and Indonesia.

Prime Minister Nakasone, however, ordered the task force to make clearer Japan's efforts for tariff reduction on bananas, chocolate and natural cheese in a manner that could convince exporting countries involved. Fujinami said that Japan's intention of considering a further cut in duty on bananas will be formally conveyed to the Association of Southeast Asian Nations (ASEAN) at a Japan-ASEAN meeting of economic ministers scheduled for Thursday and Friday in Tokyo. He also said that regarding chocolate, Japan will make positive efforts for tariff cuts within three years by taking account of the situation in the Japanese market and confectionery industry. Positive efforts for lowering tariffs will also be exerted concerning cheese, he added.

#### EC 'Source' Not Optimistic

OW251247 Tokyo KYODO in English 1246 GMT 25 Jun 85

[Text] Brussels, June 25 KYODO -- A European Community (EC) commission source said Tuesday he does not believe Japan's latest tariff cuts are enough to solve the trade imbalance between the EC and Japan. Pointing out that Japan's surplus amounts to some 10 billion dollars annually, the source, who wished to remain anonymous, hinted the EC would have to ask Japan to do more.

Official comments from the EC were yet to come.

#### NTT Official Hails Cuts

OW251245 Tokyo KYODO in English 1240 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- Nippon Telegraph and Telephone Corp. (NTT) Tuesday welcomed the government's decision earlier in the day to abolish tariffs on communications equipment as contributory to increasing NTT's overseas procurements. An NTT official noted that the tariff abolition will make foreign products that much cheaper. NTT's equipment procurements have been a sore spot in Japan's trade with the United States with Washington charging NTT with favoring domestic over overseas makers.

Officials of the Posts and Telecommunications Ministry also hailed the abolition of tariffs on six types of communications equipment, including electronic switchboards (now subject to 5.7 percent duty). This will have a salutary effect on ongoing Japan-U.S. consultations on an agreement on NTT's procurements, they said.

The tariff abolition forms part of a sweeping tariff-cutting package adopted Tuesday by the joint task force on external economic measures, headed by Prime Minister Yasuhiro Nakasone.

In line with the Japan-U.S. agreement on procurements, NTT has pursued a policy of procuring equipment from any country provided quality is good. Under this policy, NTT's overseas procurements, mainly from the U.S., shot up to 34.8 billion yen in fiscal 1983 from 3.8 billion yen in fiscal 1981.

But in fiscal 1984 ended in March this year, they tended to mark time, totaling about 35 billion yen, inviting criticisms from the U.S. Government. At the present consultations, the U.S. has called for abolition of tariffs on communications equipment.

#### French Minister Asks for More

OW251113 Tokyo KYODO in English 1109 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- French Economy, Finance and Budget Minister Pierre Berezgouvoy hailed Japan's latest tariff cuts Tuesday but asked Japan to do more. He said in a meeting with Foreign Minister Shintaro Abe the Japanese action is an important and positive step to promote imports, a Foreign Ministry official told reporters.

Berezgouvoy was the first foreign leader to comment on Japan's newest package of tariff reductions on agricultural produce and industrial manufactured goods. While welcoming those tariff cuts, the visiting minister told Abe France expects Japan to step up tariff reductions on wine, sparkling wine and other French products, the Japanese official said.

The foreign minister argued that Tokyo had decided on the latest tariff cuts despite stiff domestic opposition and is prepared to reduce tariffs on industrial goods to zero for promotion of new global trade talks. Abe also said the government is drawing up a new mid-term official development assistance program, Japanese officials said.

They said Berezgouvoy underscored the importance of aid to less developed countries which he said are suffering from mounting debts and a strong dollar. Berezgouvoy was the chief French delegate to a meeting of finance ministers and central bankers of 11 industrialized countries in Tokyo Friday.

In a related development, the French minister told Japanese reporters that he hoped the two countries would hold high-level consultations to discuss financial issues on the basis of reciprocity. Speaking at the Japan Press Club in Tokyo, he acknowledged that Japan is making efforts to open its financial markets with a strong will but said he still did not believe French banks are given the same treatment in Japan as Japanese banks are in France.

#### Nakasone Addresses Meeting

OW260427 Tokyo KYODO in English 0403 GMT 26 Jun 85

[Text] Tokyo, June 26 KYODO -- Prime Minister Yasuhiro Nakasone Wednesday called for every possible effort to expand Japan's imports and strengthen the free trade system. Addressing a trade conference, chaired by himself, Nakasone said the free trade system could easily fall to pieces and Japan should put active efforts into maintaining harmony in trade.

He stressed the country should use all its power to improve its standards and certification systems and import procedures, the symbolic issues in Japan's market-opening "action program" to be compiled by the end of July, officials said.

Nakasone said he strongly ordered cabinet ministers on Tuesday to compile an outline of the medium-term program before his scheduled trip to four European nations starting July 12. The trade conference, attended by economic related cabinet ministers, organization executives and business leaders, was held at the premier's official residence to commemorate trade day, coming up on June 28.

International Trade and Industry Minister Keiji Murata, vice chairman of the conference, said the country should take import promotion tax measures and encourage emergency imports by the government and by private circles among other steps, when he summed up the opinions raised at the meeting.

However, Shizuma Iwamochi, chairman of the Central Union of Agricultural Cooperatives, said Tuesday's tariff cut announcements on farm products, including boneless chicken, will deal a serious blow to the future of Japanese agriculture and that he opposes any further opening of markets for farm produce.

The government Tuesday announced the removal or lowering by 20 percent or more of tariffs on some 1,850 imported items, most of them as of early next year. It detailed a mid-term report on the program, aiming to coordinate Japan's market-opening schedules for the next three years, stating that the government will make the standards and certification systems "free in principle with restrictions as the exception."

#### GOVERNMENT TO DECONTROL LARGE-SCALE DEPOSIT RATES

OW251043 Tokyo KYODO in English 1021 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- Japan will liberalize interest rates on large deposits of more than 100 million or 200 million yen by early 1987, Vice Finance Minister for International Affairs Tomomitsu Oba said Tuesday. Japan will announce a tentative timetable to this effect next month, Oba told a press conference following two days of Japan-U.S. talks on yen-dollar problems. The schedule is expected to be contained in an action program the government plans to announce in late July to give greater market access to foreign goods.

But David Mulford, assistant secretary of the U.S. Treasury, who attended the same press meeting, called for the acceleration of Japan's financial and capital market deregulation. "Our chief concern is that in Japan today efficient financial markets in which interest rates are freely determined by market forces simply do not exist," he said.

The bilateral meeting was aimed at reviewing Japanese financial liberalization efforts, following up a report issued in May last year by the so-called Japan-U.S. yen-dollar committee. The two sides agreed to hold a similar follow-up meeting this fall either in Tokyo or Washington.

Oba also said the maturity period of a certificate of deposit (CD), a negotiable instrument carrying market-determined interest rates that foreign banks here use to raise yen, will be expanded rapidly. At present, available CDs mature in one to six months. The Finance Ministry has tried to limit the flow of funds from bank deposits to the CD market through restrictions on CD issues.

Deposits of smaller amounts will also be deregulated through the use of the money market certificate (MMC), another instrument with a lower face value of minimum 50 million yen Oba said. The maximum maturity period of the MMC will be expanded from the present 6 months to two years, he noted.

Mulford said the U.S. agreed to the use of a tentative timetable approach but is not willing to bless the special measures outlined by the Finance Ministry.

He called for the development of the short-term market, which the U.S. thinks should be encouraged by deregulating the interbank lending markets like the call market and discount market, sources of yen for foreign banks. The yen will not reflect its true value until there is a full development of the shorter end of the market, he said.

U.S. requests also included removal of constraints on Japanese residents to raise yen assets in the European market, which Mulford claimed to be hindering the internationalization of the yen. Meanwhile, Mulford denied press reports that the U.S. has asked the Finance Ministry permission to issue yen-denominated government securities in Tokyo. He said the U.S. has no such plan.

#### LEADING ECONOMIC INDICATORS SHOW MIXED RESULTS

##### Decline in April

OW251205 Tokyo KYODO in English 1029 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- Japan's leading economic indicators declined to 33.3 percent in April, cutting below the boom-bust line of 50 percent, the Economic Planning Agency said Tuesday. The Japanese economy does not necessarily warrant optimism from early autumn this year, the agency said, while generally it is continuing on an expansionary path.

Leading indicators, including machinery orders, had hovered around the 50 percent line between last December and March this year. But they fell suddenly in April due to declining housing starts and new car sales, it said. Leading economic indicators show the outlook of an economy several months ahead.

But concurrent indicators, which indicate the present trend of the economy, stood at 54.5 percent and lagging indicators, showing the economic situation several months past, were 58.3 percent. Concurrent indicators, including industrial output, improved from the below-50 percent level in the first quarter because of production adjustments and other factors, the agency said.

##### Continued Growth Reported

OW250029 Tokyo KYODO in English 0017 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- The Japanese economy is continuing to expand as a whole, reflecting steadily increasing corporate and consumer spending as well as recovery in exports and industrial production since April, the Economy Planning Agency said Tuesday.

In a monthly economic report, the agency said Japanese exports in the first quarter of this year showed a 2.5 percent decline from the last quarter of 1984 on a quantitative basis. But they registered increases both in April and May from preceding months, reflecting rising car exports to the United States and brisk shipments to China, it said.



As a result, industrial production recorded a 2.8 percent increase in April from the previous month in contrast to a 0.7 percent decline in the January-March quarter from the final quarter of last year. Corporate capital spending, consumer spending and housing investment, meanwhile, are following a steady uptrend and the employment situation is also improving, the agency observed.

Referring to the U.S. economy, which has a big impact on the Japanese economy, the agency said the U.S. gross national product (GNP) recorded an annual growth rate of 3.1 percent in the second quarter, quoting a "flash" estimate announced by the U.S. Government recently. "The U.S. economy can thus be described as continuing its recovery under the lead of consumer spending, although the growth rate has slowed down," it observed.

#### FOREIGN FACTORS TO BLAME FOR TRADE IMBALANCE

OW240953 Tokyo KYODO in English 0853 GMT 24 Jun 85

[Text] Tokyo, June 24 KYODO -- A majority of Japanese corporations attribute Japan's mounting trade imbalance to foreign factors rather than the domestic factors blamed by many foreign countries, according to a survey published by a major business organization Monday. The Tokyo Chamber of Commerce and Industry put a number of questions to 2,860 Tokyo-based firms in early June to find out how they view the trade friction between Japan and her trading partners. A total of 791 firms responded to the inquiry.

The survey said 37.5 percent of the respondents attributed Japan's trade surplus, which amounted to 44 billion dollars last year, primarily to the weak competitive edge of foreign products and lack of effort by foreign countries to develop their markets in Japan. A total of 20.1 percent of those polled blamed the imbalance on the yen's depreciation against the U.S. dollar and a rapid recovery in the U.S. economy.

A little more than 20 percent of the respondents believed the Japanese should be chiefly responsible for the worsening trade situation which is inviting severe criticisms from foreign countries, the survey said. Some 11.6 percent of those polled cited the closed nature of the Japanese market as the principal cause of the trade imbalance and 10.6 percent referred to insufficient demand-expanding steps by Japan.

The survey said 53.0 percent of the respondents gave high marks to the superior design of foreign products while 84.6 percent complained of their high prices and 79.5 percent bemoaned the poor after-sale service offered by foreign companies.

A whopping 87.4 percent of those polled said foreign products are not designed to suit the requirements of Japanese consumers, according to the survey. Moreover, an overwhelming 85.8 percent replied they would not buy foreign goods irrespective of price and quality, putting a damper on the government's "buy foreign" campaign put into motion recently at the initiative of Prime Minister Yasuhiro Nakasone to reduce Japan's mounting trade surplus.

#### DEFENSE CHIEF ON CONTINUED DIALOGUE WITH PRC

OW260631 Tokyo KYODO in English 0618 GMT 26 Jun 85

[Text] Tokyo, June 26 KYODO -- Defense Agency chief Koichi Kato said Wednesday Japan will maintain defense dialogue with China but denied the contact was aimed at creating a Japan-China-U.S. triangle against the Soviet Union.

Kato, who reportedly plans to make a visit to China later this year, said he hoped the Sino-Japanese defense consultations would help ease tension not only in the Korean peninsula but also throughout Asia as a whole.

"We have no intention to use the defense talks to form a triangle to counter the Soviet Union," he said at a press luncheon at the Foreign Correspondents' Club. He said Japan's defense contracts with China are fundamentally different in character to those with the United States, which has a military pact with Japan. Japan is maintaining defense contracts with China because China is a friendly country, he said.

In opening remarks before the question and answer session, Kato said he hoped mounting economic friction between Japan and the United States would not spill over to defense relations. Kato had just returned from talks with U.S. Defense Secretary Caspar Weinberger in Washington and said he was aware of growing frustration in the United States about economic relations with Japan.

He said pressure from the United States for more defense spending would be counterproductive and would have a negative impact on Japanese public opinion. Kato was particularly irked by a U.S. Senate resolution -- which was made while he was in Washington -- calling on Japan to spend more on defense and said such a congressional move was "not constructive."

"It is more productive to take a quiet posture and see what we do," he said, alluding to Japan's efforts to boost defense spending through a new military build-up plan. Kato, however, denied that Japan's military forces would be big enough to play a "strategic role" in Asia even when the five-year defense build-up plan is completed.

The plan, which forms the basis for the Defense Agency's military procurements over the next five years, is expected to be announced this summer. In arguing for Japan's defense policy of "just defense," Kato pointed out that Japan has no strategic missiles or aircraft carriers that can pose a military threat to neighboring countries.

#### DIET SESSION ENDS, ANTISPY BILL CARRIED OVER

OW250637 Tokyo KYODO in English 0619 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- The 102nd Diet closed its ordinary session Tuesday after voting to continue deliberation of the controversial anti-espionage bill in the next session. The Diet, summoned to session on December 1, was extended on April 29 for 57 days, after a 150-day run. It lasted a total of 207 days.

Tuesday's vote, held at the House of Representatives, came after the opposition parties tried to force the ruling Liberal-Democratic Party (LDP) to drop the bill. Submitted by the LDP earlier this month, the anti-espionage bill would stiffen the punishment of spy activities, providing for the death penalty for serious espionage crimes that "severely endanger" national security.

The New Liberal Club, the LDP's coalition partner, reversed its position Tuesday and joined the LDP in voting to continue deliberation of the bill, triggering catcalls from the opposition benches and the visitors' gallery. One male visitor who shouted opposition from the gallery was thrown out for unruly behaviour.



Apart from the anti-espionage bill and a couple of other controversial legislative moves, the just-ended Diet was generally marked by the LDP's conciliatory approach in pursuit of its legislative program, political observers said. With a comfortable majority in both houses of the Diet, the Liberal-Democratic Party-New Liberal Club coalition cleared 77 of the 84 bills presented to the Diet during the ordinary session.

Political sources attributed the large number of bills passed -- the highest since Prime Minister Yasuhiro Nakasone came to office in 1982 -- the non-confrontational posture adopted by the LDP under the stewardship of party Secretary-General Susumu Nikaido. The conciliatory approach, political sources said, was reflected in the number of opposition-proposed amendments. At one count, 18 out of the 77 bills enacted by the Diet contained amendments proposed by the opposition.

Also the Diet enacted eight of the 10 bills carried forward from the previous session, including legislation to privatize the Nippon Telephone and Telegraph Public Corp. and the equal opportunity law against sex discrimination in employment. The LDP, backed by its coalition partner, also managed to carry forward a Diet seat redistribution bill for deliberation in the next session.

Barring an extraordinary session that could be summoned this fall, the 103rd Diet is scheduled to reopen in early December. Apart from a possible extraordinary Diet session, there is also speculation that Nakasone may call an early general election this year in a bid to consolidate his position of power within the ruling party. The current term of the House of Representatives, elected in December 1983, runs through to December 1987.

#### 'SOSEIKAI' HOLDS MEETING, 51 DIETMEN REPRESENTED

OW260619 Tokyo KYODO in English 0606 GMT 26 Jun 85

[Text] Tokyo, June 26 KYODO -- Finance Minister Noboru Takeshita again convened his study group Wednesday demonstrating his firm resolve to challenge for the Presidency of the Liberal-Democratic Party (LDP) which carries with it the post of prime minister. Takeshita himself and 51 other conservative dietmen, all members of the LDP's largest faction currently led by former Prime Minister Kakuei Tanaka, attended the third meeting of the group "Soseikai" or were represented by deputies.

Soseikai's meeting came only one day after Tanaka's family released three photos of the ailing kingmaker in a bid to show how well he has recovered from a stroke he suffered four months ago. Of the 52 dietmen, 43 attended in person and nine sent deputies to represent them, Takeshita's spokesman said. The figure exceeded the 49 recorded at the second session April 18 and the 40 who attended the inaugural meeting February 7. Takeshita thus nosed past the magic number of 50 recommenders necessary to run for an LDP presidential election.

Although officially a study group, Soseikai is widely recognized as a "faction within a faction," with the eventual aim of securing the LDP leadership and hence the prime ministership for Takeshita.

Takeshita is tipped as one of the three most powerful hopefuls aiming to succeed Prime Minister Yasuhiro Nakasone whose second two-year term as LDP president will expire in autumn of 1986. The two others are Foreign Minister Shintaro Abe and LDP Executive Council Chairman Kiichi Miyazawa.

Takeshita said in his opening speech that he would go on holding meetings of his group in the future, denying any intention of disbanding it at present.

Soseikai agreed to hold further meetings on July 10 and August 22.

Referring to election policies, Takeshita called for the group to develop its own electioneering machinery in anticipation of future Diet elections. On recently released photos of faction leader Tanaka, Takeshita said he was glad they apparently showed Tanaka was recovering well from the stroke he suffered late February. Takeshita added he hopes Tanaka will recuperate to the full and return to his faction office.

Among 79 Tanaka-faction lawmakers to whom the Soseikai sent letters of invitation to the meeting, 33 lower house and 19 upper house members attended the meeting in person or sent representatives. The three newcomers were Ken Harada, Takao Fujii and Reijo Sugiyama, who were all represented by deputies.

The meeting is likely to create a new stir in intra-faction relations with LDP Vice President Susumu Mikaido and other anti-Soseikai members of the Tanaka faction.

#### TOP DEFENSE AGENCY OFFICIALS RESHUFFLED

OW250529 Tokyo KYODO in English 0511 GMT 25 Jun 85

[Text] Tokyo, June 25 KYODO -- Shinji Yazaki, defense policy bureau chief at the Defense Agency, was Tuesday promoted to administrative vice minister in a reshuffle of top officials of the agency and Self-Defense Forces approved at the day's cabinet session. Yazaki succeeds Haruo Natsume, who is retiring, as the No. 2 man in the agency.

The changes, proposed by Defense Agency Director General Koichi Kato, will be put into effect on July 1.

In the Ground Self-Defense Force, current 10th Division head Isao Wakatsuki and 9th Division head Kanae Masuoka will succeed the northeastern and eastern district commanding generals, respectively. The current commanding generals, Mitsuaki Yokochi and Michio Magori, are retiring.

Other changes include: Secretariat Director Seiki Nishihiro to defense policy chief, Finance Bureau chief Muneo Shishikura to defense policy chief, and Facilities Division Councilor Hisakatsu Ikeda to finance bureau chief.

Maritime Self-Defense Force Vice Admiral Kazuo Sakairi becomes president of the Joint Staff College, taking over from Ground Self-Defense Force Lieutenant General Keiki Kaiwa. Kaiwa is also retiring from the services, as are Air Self-Defense Force Lieutenant Generals Toru Shimizu and Shozo Takigawa.

#### FINANCE MINISTER ON 'GROUP OF 10' MEETING

OW211201 Tokyo KYODO in English 1141 GMT 21 Jun 85

[Text] Tokyo, June 21 KYODO -- Finance Ministry and Central Bank officials from the "Group-of-10" [G-10] leading industrial countries Friday concluded two years of study on monetary questions, calling for moderate reforms under the present floating rate system.

The G-10, which actually includes 11 major industrialized nations, agreed that the International Monetary Fund (IMF) be authorized to exercise closer surveillance over economic policies of the member nations to promote monetary stability, Japanese Finance Minister Noboru Takeshita told a press conference.

Takeshita, who chaired the day-long meeting, read a joint communique that stressed the maintenance of the present monetary system based on floating exchange rates.

The G-10 issued a final report on monetary reforms which will be presented to an IMF policy-making interim committee meeting in Seoul on October 6. The report called neither for a return to fixed currency exchange rates nor the French-proposed "target zone" concept of limiting foreign exchange fluctuations to within a certain range.

Reform plans suggested in the report are "moderate," Takeshita said in summarizing the opinions expressed during the meeting. The issue will be fully discussed at an IMF interim committee meeting in early 1986, he said.

The study on monetary reforms was initiated in 1983 at the Williamsburg Summit of seven western industrial democracies. The majority of the participants opposed the French concept, supported by Italy and Belgium, terming it "unrealistic," Takeshita said.

The G-10 did not reach any agreement as to what to do with the proposal in the future, he said. Asked how the IMF's monitoring function is to be strengthened, Takeshita emphasized, among other things, the strong "political will" expressed by the participants.

"I don't think political will has ever been expressed as strongly as it was today," he said.

The report said "convergence of economic performance in the direction of sustainable non-inflationary growth" was a basic condition for exchange rate stability. To this end, it called for sound and consistent monetary policies by each member country of the 148-member organization with due consideration given to the effects on other countries' economy.

On the availability of international liquidity, the report endorsed the suggestion that the IMF improve its surveillance over economic policies of countries that need financing and over credit conditions in international financial markets. On the IMF's official monetary reserves, called Special Drawing Rights (SDR's), the report merely expressed support for a comprehensive review of the future role of the SDR as the passage of time affects its "rationale."

The report also called for further cooperation between the IMF and World Bank, especially through the World Bank increasing its lending to needy countries.

PYONGYANG RALLY MARKS 'ANTI-U.S. STRUGGLE MONTH'

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[Live relay of mass rally held in Pyongyang marking "Day of Struggle Against U.S. Imperialism"]

[Excerpt] Here in Kim Il-song Square the Pyongyang mass rally will be held to mark the Day of Struggle Against U.S. Imperialism.

Present on the platform are: Members of the WPK Central Committee Political Bureau Comrades Pak Song-chol, Kim Yong-nam, Chon Mun-sop, So Yun-sok, and Paek Hak-nim; alternate members of the WPK Central Committee Political Bureau Comrades Kim Chung-nin and Kim Kang-hwan; Secretaries of the party Central Committee Comrades Hwang Chang-yop and Ho Chong-suk; Chairman of the Chondoist Chongu Party Central Committee Chong Sin-hyok; and Vice Chairman of the Korean Social Democratic Party Central Committee Kim Tae-sop. O Hyong-il, director of the Propaganda Department of the Chongnyon Central Standing Committee, is also present on the platform.

Kim Pong-chu Address

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[Speech by Kim Pong-chu, Presidium member of the DFRF Central Committee and chairman of the GFTUK Central Committee, at a mass rally held in Pyongyang on 25 June, marking the beginning of Anti-U.S. Struggle Month -- live]

[Text] Comrades: Today, 25 June, we mark the beginning of the Anti-U.S. Struggle Month under circumstances in which all workers across the country are effecting new innovations on all fronts of socialist construction to illuminate the 40th anniversaries of national liberation and the founding of the party as great festivals of victors, upholding the militant tasks assigned by the great leader Comrade Kim Il-song in his New Year's address and the slogans of the party Central Committee, and the South Korean people are vigorously waging the anti-U.S. struggle for independence and the antifascist struggle for democratization.

All Korean people, marking this day, are overflowing with a firm resolve to expedite the country's peace and peaceful reunification at an early date, finding themselves unable to hold back surging indignation and hostility against the U.S. imperialists aggressors, who ignited a war of aggression in our country 35 years ago and imposed immeasurable disaster on fellow countrymen, and are again casting the dark clouds of a new nuclear war.

With a wild ambition to occupy the whole of Korea and, furthermore, gain supremacy over Asia and the world, the U.S. imperialists occupied South Korea after World War II, turned it into a colonial and military base, and ignited a war of aggression in Korea on 25 June 1950. The U.S. imperialists ran wild to swallow up our young republic in one breath by mobilizing some 2 million forces, including their army, air, and naval forces, armed forces of the 15 countries following them, and the South Korean puppet army; reduced our beautiful fatherland and precious creations to ashes; and bestially slaughtered our people by using even bacteriological and chemical weapons.

The Korean war of the past was, indeed, a grim war deciding the life or death and survival or ruin of our people and a most arduous ordeal.

However, our people, with faith in sure victory under the wise leadership of the great leader Comrade Kim Il-song, the legendary anti-Japanese hero and ever-victorious iron-willed commander, heroically overcame the grim ordeals of the war and, at last, dealt a shameful defeat to the U.S. imperialists, the ringleader of the world's reactionaries, and their lackeys, and attained brilliant victory. [applause]

Our people's historic victory in the fatherland liberation war was a shining fruition of the great leader Comrade Kim Il-song's immortal chuche idea, original chuche-oriented combat tactics, and outstanding art of command, and a proud victory of the invincible might of our people and the People's Army firmly united around the party and the leader. [applause]

By obtaining a great victory in the fatherland liberation war, our people honorably defended the country's independence and the revolutionary gains, safeguarded peace in Asia and the world, destroyed the myth of the powerfulness of the U.S. imperialists, and opened a new era of international growth in the anti-U.S. and anti-imperialist struggle. [applause]

It has been more than 30 years since our people attained a great victory in the fatherland liberation war. During this period, our party and the government of the republic have made all sincere efforts to replace the truce with a durable peace and achieve the country's independent and peaceful reunification.

Because of the U.S. imperialists' continuous policy of aggression and war, however, our people's aspirations for peace and peaceful reunification have not yet been realized. Rather, the strained situation is being aggravated and the danger of war is increasing in our country with each passing day.

The great leader Comrade Kim Il-song has noted: Today, South Korea has been turned into the most dangerous war powder keg and a U.S. nuclear war base, and a very strained situation in which war can break out at any moment is prevailing in our country.

Instead of drawing a proper lesson from an irreversible defeat in the Korean war and withdrawing, the U.S. imperialists have incessantly maneuvered to provoke a new war of aggression, continuously entrenching themselves in South Korea and exercising the policy of turning it into a colonial and military base. On 15 July 1957, after the war, the U.S. imperialists openly proclaimed that the U.S. troops occupying South Korea would launch the work of arming themselves with nuclear weapons, and they have actively pushed ahead with the policy of making South Korea a forward nuclear base. Early in the 1980's, they made the scheme to fabricate the U.S.-Japanese-South Korean triangular military alliance more concrete, accelerating it.

Having proclaimed the Korean peninsula to be the test ground for a showdown of strength in the 1980's and the forefront of U.S. strategy, the U.S. imperialists have already dragged many kinds of nuclear weapons, numbering some 1,000, into South Korea; have deployed notorious neutron bombs, which are rejected throughout the world; and are even trying to introduce Pershing-II missiles and cruise missiles there.

Entering this year, the new war provocation maneuvers of the U.S. imperialists and their lackeys have reached a graver stage. In the wake of holding a dangerous war conspiracy by calling traitor Chon Tu-hwan to Washington last April, the U.S. imperialist war manics held a meeting of the military commissions and an annual security consultative conference, and agreed with the South Korean puppets to drastically increase the U.S. troops occupying South Korea and the puppet armed forces, complete a joint operational system between the United States and South Korea, and accelerate preparations for nuclear war and chemical warfare.



The U.S. imperialists are trying to arm the U.S. troops occupying South Korea with some 180 kinds of new combat equipment -- including tanks, warplanes, and missiles -- and ammunition within 2 or 3 years. Also, they are planning to introduce \$8 billion worth of weapons for massacre, including F-16 fighter-bombers and improved-type Hawk missiles, and military equipment into South Korea from 1985 to 1989, and hand them over to the puppet army.

The armed forces have recently been reorganized into offensive armed forces in South Korea on the basis of a newly mapped out offensive strategy for northward invasion and have been deployed forward near the Military Demarcation Line so that they can be moved for offensive operations at any moment. Also, commandos, numbering some 180,000, have been organized anew to conduct a surprise attack even on rear areas of the northern half of the republic. More than 80 to 90 percent of the puppet armed forces, along with the U.S. imperialist aggressors, have been deployed in the combat areas near the Military Demarcation Line, and are ready for a combat posture to perpetrate offensive operations for northward invasion at any moment. In addition, the digging of underground tunnels aimed at invading the North is ongoing at some 180 spots along the Military Demarcation Line.

What is more dangerous is that the U.S. imperialists are trying to wage a joint exercise between the U.S. Air Force in South Korea and the Japanese Air Self-Defense Force in the airspace above the East Sea of our country for the purpose of establishing a (?joint nuclear attack operations system) against our republic between the U.S. and Japanese air forces. Also, an agreement was reached on the realization of exchange port calls between a South Korean puppet fleet and a Japanese Self-Defense Forces naval fleet. This is clear proof that the U.S.-Japanese-South Korean triangular alliance is, indeed, being operated at a practical stage. [shouts of slogans] All of these military moves are incompatible with peace and dialogue and are very dangerous.

Today, all Korean people and the peace-loving peoples of the world are actively supporting our just and fair proposals for tripartite talks and North-South parliamentary talks, hoping for the alleviation of the tension in the Korean peninsula at an early date and the preservation of peace there, and expecting progress in the North-South dialogue. It is under these circumstances that the U.S. and South Korean warmongers are intensifying war maneuvers. This shows that they have no desire to alleviate tension and peace and are not interested in dialogue.

The criminal war policy being pursued in South Korea is accompanied by the most bestial fascist military dictatorship. In South Korea, under the facade of strengthening the security posture, new oppressive organizations are constantly infringing upon peoples rights and patriotic youths, students, and democratic personages are being suppressed daily. In particular, using the struggle in which the American Cultural Center in Seoul was occupied last May as an occasion, the South Korean puppets are further intensifying the fascist suppression of youths and students.

The puppet clique's atrocities of suppressing patriotic youths, students, and people, who have turned out in the sacred struggle for the sovereignty and independence of the nation, for democracy, and for the peaceful reunification of the country, are an intolerable, antinational, criminal act which can be committed only by those who have nothing to do with the conscience and prestige of the nation, and are an antidemocratic, fascist atrocity.

On behalf of this rally, I, with the burning indignation of the nation, firmly denounce the U.S. imperialists and their stooges who continue to occupy half of our fatherland, who obstruct the reunification of Korea even 40 years after the fatherland's liberation, and who are running amok seeking to impose the catastrophe of nuclear and chemical war, still not satisfied with the agonies and tragedies of the division being imposed on our nation. [shouts of slogans]

Comrades, the situation that has been created over the past 40 years and the current South Korean reality clearly show that in Korea the danger of aggression and war is coming to the North from the South. Today, eliminating the danger of war in the Korean peninsula and guaranteeing durable peace are a prerequisite for the peaceful reunification of the country and are an urgent demand for the peace of Asia and the world. The North-South dialogue cannot progress effectively and no affirmative step can be taken for the peaceful reunification of the country as long as the state of tension continues and the danger of war increases.

In order to eliminate the danger of war in the Korean peninsula and to create the condition for the peaceful reunification of the fatherland, the cause of war, above all, should be eliminated and war (?maneuvers) should be opposed. As history has shown, the main obstacle to peace in our country and its peaceful reunification is the U.S. military occupation of South Korea. If South Korea had not been occupied by U.S. troops, our nation would not have been divided, and, accordingly, no danger of war would have been created in our country. Because of South Korea's occupation by U.S. troops, our nation has suffered the agonies of division for a period longer than the 36 years of distress under the colonial rule of the Japanese imperialists.

The time has come for the United States to show repentance for continuing to occupy South Korea, even though 40 years have elapsed since it began its illegal occupation of South Korea, (?32) years have elapsed since it signed the Korean Armistic Agreement which envisaged the withdrawal of all foreign forces from Korea, and 10 years have elapsed since the U.N. General Assembly adopted a resolution calling for the withdrawal of U.S. troops from South Korea.

The United States has no reason or excuse to maintain its troops in South Korea. The United States must not continue to stay in South Korea any longer but withdraw from South Korea without delay, along with its troops and nuclear weapons. This is a unanimous demand of the Korean people who love peace and long for the peaceful reunification of the country. [shouting of slogans]

The South Korean people, youths, and students, through their long experiences in living and struggling, have realized that without the withdrawal of the U.S. imperialists from South Korea and the liquidation of their colonial rule, the realization of national sovereignty, democracy, and the peace of the country, as well as its peaceful reunification, are impossible. This is the reason why they are unyieldingly turning out in the anti-U.S. struggle for independence.

The South Korean people, youths, and students, who had held the banner of the anti-U.S. struggle aloft since the Kwangju popular uprising 5 years ago, fanned the flames of the more active anti-U.S. struggle particularly after entering this year by occupying the American Cultural Center in Seoul, while shouting "Yankee, go home," and by showering a general of the U.S. aggression forces with stones. By so doing, they are causing the U.S. imperialists and their stooges to feel great uneasiness and fear.

The anti-U.S. struggle for independence waged by the South Korean people, youths, and students is a patriotic one that has reflected the natural-law governed demand of the development of South Korean society, and is a just one that agrees with the trend of the current era in which independence is sought.[applause; shouting of slogans]

The United States must realize that its policy of continuing the occupation of South Korea under the deceptive slogans of the bogus threat of southward invasion will not work any longer, must rescind the policy of the colonization of South Korea and the policy of the fascistization, and must withdraw its aggression forces.



The South Korean authorities must immediately do away with the foolish war provocation maneuvers aimed at maintaining their lives by depending on foreign forces and at attacking us by colluding with foreign forces. They must unconditionally discontinue the fascist suppression of the South Korean people, youths, and students who seek national independence and the peaceful reunification of the country.

The South Korean people, youths, and students, by realizing that preventing the danger of war and expediting the peace of the country and its peaceful reunification are a means to oppose the foreign forces' policy of aggression and subjugation and recover national sovereignty, must continue to struggle to the bitter end under the anti-U.S. banner for independence in order to secure the withdrawal of the U.S. forces from South Korea and the liquidation of their colonial rule. At the same time, they must frustrate and smash the policy of constructing military bases, the military buildup maneuvers, the nuclear war provocation maneuvers, and the schemes for triangular military alliance, sought by the bellicose elements within and without. [shouting of slogans]

The fascist military dictatorship in South Korea is a tool to implement the U.S. imperialists' policy of aggression and war. In South Korea, all fascist evil laws and the oppressive organizations should be abolished; freedom of press, publication, assembly, association, and demonstration should be realized; the patriots, democratic personages, youths, and students who have been unjustly arrested and detained must be released; and the democratization of society should be realized.

We have no desire for war, and will never tolerate any force which seeks to move along the road of war. Today, the most rational way of peacefully solving the Korean question is to hold tripartite talks among us, the United States, and South Korea, as we have proposed. If tripartite talks were realized, the cause of war would be eliminated in the Korean peninsula, durable peace would be guaranteed, and a broad path to peaceful reunification would be paved. [applause]

We will continuously and patiently make efforts in order to implement our proposal for tripartite talks which is actively supported and welcomed by all Korean people and the peace-loving peoples of the world, because of its correctness and rationality. [applause]

The United States and the South Korean authorities must respond to our proposal for tripartite talks, if they truly desire the peace of the Korean peninsula. Publishing the joint declaration of nonaggression at the North-South parliamentary talks as we have proposed is the most realistic, just, and fair measure to alleviate tension in Korea and improve North-South relations. [applause]

Under the circumstances in which tripartite talks have not yet been realized, the best way to resolve the question of alleviating tension in the country and guaranteeing peace, which is linked with the national interest, is to hold parliamentary talks between the two sides, which can, possibly, concentrate the opinion of the people of all strata of the North and the South, and to publish a joint declaration of non-aggression. [applause]

The South Korean side must accept our rational and realistic proposal for publishing a joint declaration of nonaggression at North-South parliamentary talks. [applause; shouting of slogans]

The reunification of the fatherland is the supreme national task of all Korean people. All people in the North and the South and all compatriots abroad must vigorously struggle in order to achieve the historic cause of the fatherland's reunification in accordance with the spirit of the 4 July North-South Joint Statement and with the concentrated efforts of the nation. [applause]

Today, the people of the northern half of the republic are facing a heavy but honorable task of accelerating the independent and peaceful reunification of the fatherland and the cause of the chucheization of society. All working people must firmly arm themselves with the revolutionary ideology of our party, the immortal chuche idea, and more thoroughly prepare themselves as chuche-type revolutionaries bondlessly loyal to the great leader and the glorious party center.

All people must vigorously step up the three revolutions -- ideological, technological, and cultural -- and bring about new upsurges in all sectors of the socialist construction. By so doing, they must brilliantly decorate this year, a meaningful one in which the 40th anniversaries of the fatherland's liberation and the party's founding will be observed, as a most glorious and proud one in the history of our fatherland. [applause]

All people and men and officers of the KPA must heighten their revolutionary vigilance, while keenly watching the new war provocation maneuvers sought by the U.S. imperialists and their stooges. By so doing, they must defend the socialist fatherland and the gains of the revolution as a fortress.

Guaranteeing peace in the Korean peninsula is directly linked with the question of defending the peace of Asia and the world. We express conviction that the governments, political parties, organizations, personages of various strata of many countries of the world, international organizations, and all peace-loving peoples that value peace will further raise voices denouncing the new war provocation maneuvers of the U.S. imperialists and their stooges, and will extend firm solidarity to support our people's just cause for the peace of Korea and its peaceful reunification. [applause]

Only victory and glory await our people who move forward, while holding the great leader in high esteem and following the wise leadership of the glorious party center. [applause]

Let us all firmly unite around the great leader Comrade Kim Il-song and the glorious party center, and more vigorously move forward for the independent and peaceful reunification of the fatherland and the final consummation of the chuche revolutionary cause. [applause; shouting of slogans]

#### U.S. ACCUSED OF MASS DESTRUCTION IN KOREAN CONFLICT

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[Text] Pyongyang June 25 (KCNA) -- The Korean people accuse the U.S. imperialists of their destruction and slaughter committed in the last Korean war of aggression (June 1950-July 1953), hardening their resolve to avenge the death of their fellow countrymen on the enemy a thousand fold, on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

Openly raving that they would "put out of the map" towns and villages of the northern half of Korea, the U.S. imperialists, the provoker of the Korean war, mobilised over two million strong Armed Forces, including one third of their ground force, one fifth of their Air Force, almost the whole of the Pacific Fleet, armies of 15 satellite nations and the South Korean puppet army in the "scorched-earth operations."

They razed to the ground Pyongyang, Chongjin, Hamhung, Wonsan, Nampo and other cities and rural villages in the northern half of Korea with indiscriminate bombing and bombardment. The bombs and napalms that were dropped over Pyongyang in the three years of the war numbered more than 428,700.

In this period, buildings and production equipment of over 8,700 industrial establishments were destroyed and 370,000 hectares of farmland devastated. Dwelling houses for over 600,000 families, 5,000 schools, 1,000 hospitals and clinics, 260 theatres and cinema houses and thousands of cultural service facilities in towns and villages were destroyed.

In the period of the strategic, temporary retreat of the Korean People's Army, the U.S. imperialists committed thrice-cursed bestial slaughter in the occupied areas of the northern half of Korea. In Sinchon County of the then Hwanghae Province alone, 35,000 guiltless people or a quarter of the county's population, were murdered. The U.S. imperialist human-butchers slaughtered over 1,550 people in cold blood in the anti-air raid shelter of the country party committee and the nearby trench and burned to death over 910 people including 400 mothers and 102 children at a time in the powder magazines in Wonam-ri. They brutally murdered 120,000 people in this way in Hwanghae Province and hundreds of thousands of people in the occupied areas in the northern half of Korea. They used internationally banned bacteriological and chemical weapons, imposing immeasurable sufferings upon the Korean people.

The U.S. imperialists' brutalities committed in the last Korean war are repeated in South Korea today 30 odd years later.

#### NODONG SINMUN DEMANDS U.S. WITHDRAWAL FROM SOUTH

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[NODONG SINMUN 25 June editorial: "The U.S. Forces Must Withdraw From South Korea for the Peace and Peaceful Reunification of Korea"]

[Text] Our people mark the anniversary of the 25 June anti-U.S. struggle today in an environment in which revolution and construction is being accelerated in the northern half, in which anti-U.S. and antifascist struggles for independence and democracy are being stepped up in South Korea; and in which the solidarity movement with our revolution is being strengthened and developed throughout the world.

Thirty five years ago today, the U.S. imperialists, who had long indulged in the wild fancy of conquering Korea, provoked a war of northward invasion by inciting the Syngman Rhee puppet clique, their dirty running dog, embarking upon a road of outspoken military intervention. The U.S. imperialists' armed meddlers mobilized a large force of several million, including the basic forces of the U.S. Army, Navy, and Air Force, equipped with up-to-date technologies, mercenaries of 15 countries following the U.S. imperialists, and the South Korean puppet forces, and a large quantity of combat technology and gear, and used the most brutal methods unprecedented in the history of war while calculating the obliteration of our young republic in its infancy.

The great leader Comrade Kim Il-song has taught: When they began the armed provocation against our fatherland and people, the U.S. imperialists, who dreamed of conquering the world, attempted to make our people their eternal slaves, and to turn our country into their colony and military strategic base against the Soviet Union and China.

Our people's fatherland liberation war was a stern showdown to defend the fatherland's independence and revolutionary achievements from the enemy's infringement, and was a holy anti-imperialist and anti-U.S. struggle to oppose the joint forces of the world's reactionaries led by the U.S. imperialists and to preserve peace in Asia and the world.

Although the U.S. imperialists attempted to attain their aggressive purpose by fair means or foul in the Korean war, they failed to bring our people to their knees. Under the outstanding and refined leadership of the respected and beloved leader Comrade Kim Il-song, the ever-victorious iron-willed commander and great military strategist, our people and the People's Army defeated and swept the armed provocateurs and attained a historic victory in the fatherland liberation war by displaying incomparable courage and mass heroism.

Our people's historic victory in the fatherland liberation war was a great victory of the respected and beloved leader Comrade Kim Il-song's chuche-oriented military idea and commanding skill and an expression of the undefeated strength of our people who uniformly gathered around the leader [suryong].

With the attainment of a historic victory in the fatherland liberation war, our people defended the fatherland's independence, national sovereignty, and peace in Asia and the world; started the U.S. imperialists' downward slide; and opened a new period of stepped-up, anti-imperialist, and anti-U.S. struggle for national liberation throughout the world.

In the northern half of the republic, our party and the government of our republic waged a vigorous struggle since the end of the war to accelerate revolution and construction, to maintain peace in Korea, and to accelerate the country's reunification in accordance with the line and principle of socialist construction and the fatherland's independent and peaceful reunification elucidated by the great leader Comrade Kim Il-song. The 30 odd years since the gunfire stopped have been days of our people's nation-saving struggle to turn the armistice into a stable peace, to reestablish severed national unity, and to realize the country's reunification by improving and developing North-South relations.

Our people's national desire has yet to be realized because of the U.S. imperialists' occupation of South Korea and their policy of aggression. The U.S. imperialists are continuously pursuing the policy of occupation and war against our people in South Korea after violating the Armistice Agreement which foresaw the withdrawal of all foreign forces from Korea and the UN resolution concerning the withdrawal of U.S. forces from South Korea. They moved the UN Command to Seoul from Tokyo, increased occupation forces, strengthened military equipment, and built new military bases or expanded those in South Korea.

The U.S. imperialists have dragged numerous nuclear weapons and neutron bombs into South Korea, and deployed them there, babbling that if a war breaks out in Korea, nuclear weapons will be used. They are even trying to deploy medium-range nuclear missiles and cruise missiles.

The "Team Spirit-85" joint military exercise, the 10th such exercise waged by the U.S. imperialists in South Korea, which was held from the beginning of last February to April, and mobilized some 200,000 forces, was a preliminary and test nuclear war aimed at perfecting preparations for a war against the northern half of the republic.

The U.S. imperialists are also pushing ahead with a plan for chemical warfare by building some poison gas companies and producing chemical weapons in South Korea.

The U.S. imperialists are accelerating at the final stage, the fabrication of the U.S.-Japanese-South Korean triangular military alliance, which they have long since stepped up, in order to inveigle the Japanese Self-Defense Forces into the realization of the plan for a war against Korea and Asia.



A plot for a joint exercise of F-16 fighter-bombers of the U.S. Air Force in South Korea and fighters of the Japanese Air Self-Defense Force in the East Sea and a scheme for the exchange of port calls between a fleet of the puppet navy and a fleet of the Japanese Self-Defense Forces have been pushed forward recently. This shows that the triangular military alliance is, indeed, operative.

The fabrication of the triangular military alliance is a dangerous scheme to form an anticommunist bloc like NATO in Asia and turn Korea and Asia into an international site for a confrontation of strength.

The U.S. imperialists' policy of war is being promoted with the South Korean puppets as guides. In conformity with the demands of the U.S. imperialists, the Chon Tu-hwan ring has reorganized the units into ones meeting an offensive strategy for northward invasion, has instituted forward deployment of more than 80 to 90 percent of the puppet armed forces to the combat areas near the Military Demarcation Line, and has organized and formed some 180,000 special forces which can conduct commando operations against the areas in the northern half of the republic.

Along with the escalation of military exercises, the augmentation of armed forces, and the expansion of armaments, which the U.S. imperialists are stepping up by egging the puppets on, the massing of armed forces in the frontal areas and the reorganization of the units into offensive ones are a dangerous signal to ignite a military action in Korea at any moment.

Their ill-boding acts in South Korea are reminiscent of the eve of 25 June 35 years ago, when they augmented the puppet armed forces, repeated hostile acts and military provocations along the 38th Parallel through the puppets, and, finally, provoked a war.

In an attempt to continue to hold fast onto South Korea alone as their colonial and military base, unless they conquer the whole of Korea, the U.S. imperialists are maneuvering to create two Koreas by realizing cross-recognition and cross-contact between the North and South. We are heightening alertness against this.

During the past 40 years, the South Korean people, who have been suffering from disaster and pain under colonial and fascist rule by the U.S. imperialists, have unyieldingly fought against the oppressors. Entering this year, the anti-U.S. struggle for independence, the antifascist struggle for democratization, and the antiwar movement for peace, which came to the fore among youths, students, and the people of all walks of life sparked by the atrocity of massacre that the U.S. imperialists and the puppets perpetrated in Kwangju, have grown, taking a new shape.

The anti-U.S. and antipuppet struggle which youths and students waged last May while seizing the U.S. Information Service building, calling the United States to account for having manipulated the Kwangju massacre behind the scenes, and demanding an apology from the United States and the resignation of puppet Chon Tu-hwan, has expanded to all parts of South Korea. This is an expression of the strong will to tolerate no aggressive and antinational maneuvers by the U.S. imperialists and their lackeys.

Our people are a dignified and independent people who treasure national sovereignty more than their lives. We will never tolerate the aggressive maneuvers of the U.S. imperialists, who have trampled our people's sovereignty underfoot, blocked reunification, and tried to provide a new war of aggression, illegally occupying South Korea and seeking the policy of aggression and war.

The U.S. imperialists must stop maneuvers for aggression against our people and withdraw from South Korea, taking along all military equipment, including nuclear weapons.

If the United States no longer wants to lose face, it would be good to withdraw of its own accord before it is driven out by the South Korean people's rejection.

We have proposed the holding of tripartite talks among us, the United States, and South Korea to peacefully resolve the Korean question. If the United States wants the preservation of peace in Korea, it should not aggravate tension while interfering in the domestic affairs of Korea, but respond to our proposal for tripartite talks.

The South Korean puppets are inciting the consciousness of confrontation, aggravating tension, and accelerating war preparations by kicking up anticommunist rackets behind the scenes of dialogue. They should find a proper lesson from the fact that, because of their indiscreet war commotions, Red Cross talks and economic talks, which were arranged last year at our initiative with the relief step for the South Korean flood victims as an opportunity, were inevitably suspended for as long as half a year. The South Korean puppets are running amok to swallow us by strength, spurring war preparations with the U.S. imperialists on their back. This is a reckless maneuver.

Easing tension and preserving peace in Korea are a life-or-death question connected with the destiny of the nation and an acute problem whose settlement is being awaited.

This year marks the 40th anniversary of our nation's liberation from the yoke of the Japanese imperialists. We should make this year a significant year in which a new phase for peaceful reunification is pioneered by removing the danger of war and easing tension.

Proceeding from just this sincere desire, we proposed, some time ago, the holding of North-South parliamentary talks, which envisage the announcement of a joint declaration of nonaggression, as a method for easing tension and improving North-South relations. If a joint declaration of nonaggression is announced a parliamentary talks and the authorities of the two sides finalize the agreement and adopt a joint declaration of nonaggression, this will open an epochal opportunity and turning point in easing tension and improving North-South relations.

If a reliable guarantee for preserving peace is provided between the North and South, this will not only favorably affect the promotion of Red Cross talks and economic talks, but a door for tripartite talks, which we proposed in order to provide a durable peace in Korea, will also be opened.

The peace and peaceful reunification of Korea can be realized only through the active struggle of the popular masses. By holding higher the anti-U.S. banner of independence and the antifascist banner of democratization, the South Korean people should more powerfully stage a mass struggle against the colonial and fascist rule by the U.S. imperialists and their lackeys and the policy of war.

Firmly consolidating the revolutionary ranks in the northern half of the republic is a decisive guarantee for the peace and peaceful reunification of Korea. All party members and workers should more firmly arm themselves with the great chuche idea and vigorously wage the struggle to create the "speed of the eighties" under the upheld banner of the three revolutions -- ideological, technological, and cultural -- in order to effect a new revolutionary upsurge in all fields of socialist construction, thereby more solidly cementing our revolutionary base.

The officers and men of the People's Army and the people should heighten revolutionary alertness to counter the new war provocation maneuvers of the U.S. imperialists and their lackeys, and defend the socialist fatherland and revolutionary gains as an impregnable fortress.

Peace in Korea is directly linked to peace in Asia and the world. Should a nuclear war break out in Korea, it could spread into a global nuclear war. We express our firm belief that the governments and personnel of political, social, and press circles of all countries, the international organizations, and the peace-loving people will continue to express firm solidarity with our people's just struggle to expose and denounce the new war provocation maneuvers perpetrated by the U.S. imperialists in Korea, demand the withdrawal of the U.S. troops from South Korea, and achieve the peace and peaceful reunification of Korea.

Preventing war, preserving peace, and achieving peaceful reunification in Korea are the national will of our people. No one can stem our people's resolve and desire for peace and peaceful reunification. Our people, who are advancing, united as one around the party Central Committee led by the great leader Comrade Kim Il-sung, are ever-victorious and invincible.

#### U.S. MILITARY BUILDUP IN SOUTH KOREA DEcriED

SK250510 Pyongyang Domestic Service in Korean 2216 GMT 24 Jun 85

[NODONG SINMUN 25 June special article: "The U.S. Imperialists Who Seek To Ignite a War of Aggression in Korea"]

[Text] The great leader Comrade Kim Il-sung has taught: Because of the ceaseless provocative maneuvers of the U.S. imperialists and the South Korean fascist military elements, the situation in our country is always tense, and our country is in a continuing danger of war possible breaking out at any moment. Today, Korea has become a place with the most tense and strained situation in the world.

Thirty five years have elapsed since the U.S. imperialists ignited the criminal war of aggression in Korea. Nevertheless, the U.S. imperialists are still seeking a policy of occupying South Korea and of waging war against our people while violating the Korean Armistic Agreement which envisaged the withdrawal of all foreign forces from Korea, and the U.N. resolution which called for the withdrawal of U.S. forces from South Korea.

With the wicked ambition to invade the whole of Korea and Asia by using South Korea as a foothold, the U.S. imperialists have declared that the Korean peninsula is a test place for the confrontation of strength in the 1980's, and the first line of U.S. strategy. They have turned South Korea into a nuclear forward base to invade the Asian Continent. In recent days, the military leaders of the U.S. imperialists and the South Korean puppets, frequently appearing publicly and in frontline areas, have heedlessly spouted streams of extremely provocative remarks. They say that the heartland of the North should be attacked, and the strategic centers of the North should be incapacitated while eagerly awaiting an opportunity to ignite a reckless war of northward invasion, and a nuclear war.

In the course of the U.S. visit in the latter part of last April by the Chon Tu-hwan puppet clique, the high-level talks between the two sides, and the subsequent meeting of the U.S.-South Korea Military Committee, and the annual security consultative meeting, it was agreed to extensively augment the U.S. and puppet forces in South Korea, perfect the joint combined operation system, and further accelerate preparation for nuclear and chemical war. Proceeding from this, the U.S. imperialists are now drastically augmenting the armed forces of aggression in South Korea.

The U.S. imperialists have recently introduced neutron bombs, which are known as the devil's weapon of the 20th century, into South Korea where some 1,000 nuclear weapons have already been deployed, as well as nuclear backpacks and ultraminiature nuclear bombs which are portable for field operations.



They are even planning to introduce cruise and Pershing II medium-range missiles. But, still not satisfied with the nuclear weapons which have been deployed in South Korea, the U.S. imperialists are deploying more nuclear weapons in South Korea using cunning and wicked methods on the pretext of making so-called contingency preparations. On the pretext of training and tourism, the U.S. imperialists hurl their forces of aggression into South Korea many times annually and take advantage of these occasions to bring in nuclear weapons.

In 1984 alone, the U.S. imperialists hurled B-52 strategic bombers, F-111 fighter-bombers, A-6, and A-7 aircraft, and nuclear aircraft carriers, including the Enterprise, the Midway, and the Carl Vinson into South Korea more frequently than in the past years. Moreover, they have additionally deployed nuclear-laden warships and aircraft at U.S. military bases on Okinawa and Japanese mainland with the objective of concentrating them on the Korean peninsula on a contingency basis.

The U.S. imperialists have used the naval port of Yokosuka as home port for the aircraft carrier Midway, command ships, cruisers, and transport ships. However, they are now planning to assign the aircraft carrier Carl Vinson and even the Cochrane, carrying nuclear cruise missiles, to Yokosuka on a permanent basis.

In particular, with regard to the number of nuclear-attack submarine calls to Yokosuka, there were only seven or eight per year during the period from 1973 to 1981. However, there were 21 calls in 1982, and 25 in 1983. Thus, the number increased drastically. In addition, 50 aircraft that can transport nuclear weapons have been assigned to Misawa Air Base. The U.S. imperialists have also deployed Tomahawk cruise missiles with the U.S. 7th Fleet, which uses Pusan and Chinhae ports of South Korea as forward and relay bases.

The U.S. imperialists are activating nuclear-laden warships in the waters around the Korean peninsula and its surrounding areas, while raving that the primary objective of the U.S. military policy in Asia and the Pacific area is to deter a so-called attack from our country and socialist countries. Last June, the U.S. Defense Department already began to deploy cruise missiles, modern naval weapons which are launched from the sea, with the Pacific Fleet, and deployed sea-to-surface Tomahawk cruise missiles with four submarines in service in Asia and the Pacific area. In addition, a so-called spokesman of the U.S. Navy said that submarines of the 7th U.S. Fleet regularly call at Pusan and Chinhae. This shows that the number of nuclear weapons on the Korean peninsula can increase above the present level in the event of an emergency.

In addition, the U.S. imperialists are reinforcing the nuclear bases as a part of the nuclear buildup maneuvers. Up to now, it has been known that South Korea has nuclear bases only for the Army and Air Force. Among those bases, Ulsan, Kunsan, and Osan have tactical and combat aircraft that carry out nuclear attack missions, and the Air Force nuclear bases which have nuclear armories for field operations, and Uijongbu, Munsan, Tongduchon, Seoul, Chonchon, and other areas have surface-to-surface nuclear missile bases. In recent days, the U.S. imperialists have been scheming to make Pusan, and Chinhae ports nuclear bases for the exclusive use of their Navy, while augmenting the numerous nuclear bases in South Korea. In addition to the numerous nuclear weapons which they have introduced into South Korea, the U.S. imperialists also frequently stage nuclear war exercises. The "Team Spirit" joint military exercise which the U.S. forces and the South Korean puppet clique stage is one example that illustrates this. As has already been made public, the "Team Spirit" joint military exercise, which began in 1976, has been expanded in an escalatory manner. As a result, last year and this year, some 300,000 troops -- some 200,000 U.S. aggression and puppet troops, and some 100,000 from civil forces, with which a whole war can be waged -- participated.

While conventional weapons, basically, were used in the initial military exercises that were staged, various sophisticated war means at the disposal of U.S. imperialist aggressive forces, including tactical nuclear weapons and weapons of mass destruction, are now mobilized. According to U.S. and South Korean mass media, sophisticated aircraft, including B-52 strategic bombers and F-16 fighter bombers; aircraft carriers of the U.S. 7th Fleet; various missiles; and modern tanks, armored cars, and various artillery pieces were mobilized in the "Team Spirit" exercises in recent years. The number of these weapon systems has increased rapidly every year.

The U.S. imperialists deployed Lance missiles in the area near the Military Demarcation Line during the initial exercises, and conducted a firing exercise. In the exercises conducted in 1981 and 1982, they conducted nuclear, biological, and chemical exercises, centered around Osan Air Base. The U.S. Strategic Air Command, whose basic mission is to take command of a nuclear war; the main force of the U.S. 7th Fleet, carrying more than 200 nuclear weapons; strategic and fighter-bombers; and great quantities of missiles were utilized in subsequent exercises. A greater number of nuclear weapons and a U.S. special task force carrying miniature nuclear bombs were mobilized in the exercise conducted this year.

What is much more dangerous is the fact that, coinciding with the provocative military exercise of the U.S. forces and South Korean Army troops, the majority of the Armed Forces in South Korea were deployed forward in the area near the Military Demarcation Line so that they could move at any time to launch a northward offensive tactical operation.

Many U.S. and puppet army units have been successively deployed in frontline areas. More than 80 to 90 percent of the puppet army has been deployed forward in the military zone near the Military Demarcation Line together with the U.S. imperialist aggressive forces. Thus, they are ready to launch an offensive tactical operation at any time. Facts show that the dark clouds of war are moving to the North from the South, and that these clouds will develop into a nuclear war.

While the Korean people and the progressive people of the world unanimously demand that a war be prevented in Korea and that the Korean question be resolved peacefully, the U.S. imperialists and the South Korean puppets have traversed the road of an aggressive war. This cannot be justified by anything whatsoever. The U.S. imperialists and their stooges should ponder what their reckless maneuvers for war will bring about and act with discretion.

#### NODONG SINMUN SCORNS SOUTH STAND TOWARD DIALOGUE

25 June Commentary

SK251415 Pyongyang Domestic Service in Korean 2152 GMT 24 Jun 85

[NODONG SINMUN 25 June commentary: "A Challenge to Aspirations for Dialogue and Reunification"]

[Text] Referring to the dialogue that is being forged ahead with, the puppet Ministry of Culture and Public Information raved on 22 June that the residents should have neither illusions nor hasty expectations of unification and should not slacken their anticommunist consciousness. This remark was made during an announcement on a policy for indoctrination activities scheduled to be carried out in connection with the Korean war. This is an intolerable remark running counter to the expectation of the residents who desire the improvement of relations between the North and South and the opening of a new phase in resolving the reunification question, and fanning the sentiment of confrontation among the people.

The reunification of the fatherland is the supreme and long-cherished desire of all the Korean people. Our people have experienced the sufferings of division for 40 years. Because of the division, the people in the North and the South, despite the fact that they are a homogeneous people, have failed to uniformly develop and use their talent and wisdom and the country's resources to improve the welfare of the people and to achieve national prosperity.

The division of the national territory has been a constant factor disrupting peace in Korea, increasing the danger of war, and threatening the stable life of the people. All the Korean people who are experiencing the sufferings of division desire the improvement of relations between the North and the South and the reunification of the country, and they have made an effort to achieve this end. The dialogue between the North and the South has been arranged to reflect such a desire of the people.

The act of slandering the ardent desire of the people as an illusion is one degrading the people who desire reunification and is an absurd remark that could only be made by those who benefit by prolonging division.

The remark that one should not hastily pin expectations on reunification reflects such a treacherous nature. It is a stark reality that those families who have been separated in the North and the South cannot find their counterparts because of the changes in mountains and rivers during the 40 years of division, and because of a change in generations during this period, and that the common nature of the homogeneous people has gradually disappeared because of the changes in customs and life styles.

At a time when restoring the ties of the homogeneous people through reunification of the country is the paramount order of the people, an order that cannot be delayed any longer, and a very urgent task, uttering words that run counter to reunification speaks for the intent of the U.S. ruling circles to continuously grasp South Korea as a colonial military base. This in no way represents the beliefs of the Korean people. If they have a shred of national conscience, they cannot make such a remark, even if they have 10 mouths.

Their remark that no one should pin expectations on reunification very very closely resembles the remarks made by persons in high authority in South Korea shortly following the issuance of the historic 4 July North-South joint statement. While making similar remarks, they avoided the implementation of provisions agreed upon in the joint statement and, in the end, ruptured the dialogue.

We are compelled to increase our vigilance against the attempt by the present South Korean rulers to hinder the improvement of relations between the North and the South by repeating the same error made by their predecessors. Their remarks on reunification reflect a two-pronged stand toward dialogue. While clamorously babbling about the improvement of relations between the North and the South and about the elimination of mistrust at the site of dialogue, they have fanned the sentiment of confrontation between the North and the South after turning their backs by kicking up anticommunist rackets. Thus, they have increased the sentiment of enmity and mistrust among the people.

Under the pretext of a unification security march, they have recently dragged middle and high school students to Korean war battle sites and to the banks of the Imjin River. Thus, they have instilled the sentiment of confrontation into these students.

The act of heightening tension by fanning war zeal and the sentiment of mistrust and enmity is not compatible with dialogue designed to improve and develop relations between the North and the South.

This is not a stand for dialogue but for confrontation. If those concerned want to hold dialogue, they should abandon a stand for confrontation and stop kicking up anticommunist rackets.

There is no one in the northern half who tries to force communism on South Korea. It is our stand to achieve the country's reunification by establishing a confederal state while leaving the existing systems in the North and the South intact. The Red Cross and economic talks which were arranged thanks to our proposal were designed to restore the severed ties of the people in the humanitarian and economic sectors and to improve and develop relations between the North and the South. The parliamentary talks proposed by us are designed to alleviate tension and to provide a favorable phase for peaceful reunification.

If the South side intends to improve and develop its relations with us, it has no grounds to promote the anticommunist sentiment of confrontation against the opposite side to dialogue. This will only throw cold water on the dialogue that was held after a long interval by fanning the sentiment of mistrust, and will help heighten tension.

On 22 June, the South Korean minister of culture and public information preached competition with us. He cannot resolve his problem through competition. A prerequisite to competition is division, and it is aimed at seeking confrontation.

If they want to confront us, rather than seek collaboration and unity between the North and the South, it is doubtful where they are going to lead dialogue.

Because the South side sought such an anachronistic policy of confrontation, none of the past dialogues between the North and the South contributed to improving relations. It is time for the South side to naturally draw a lesson from this.

The remarks made by the puppets that day once again reflected their attitude of not paying attention to dialogue but of being engrossed in confrontation. Such an indiscreet attitude will not benefit them at all. If the South Korean authorities continuously seek the line of confrontation, they will be denounced by the people as a group of divisionists who run counter to the trend of the time and will have to bear responsibility for hindering the progress of dialogue.

#### 26 June Commentary

SK260418 Pyongyang Domestic Service in Korean 2151 GMT 25 Jun 85

[NODONG SINMUN 26 June commentary: "Pursuing Confrontation, While Putting Up a Signboard of Dialogue"]

[Text] Puppet Chon Tu-hwan presided over a National Security Council meeting at Chongwadae on 24 June. The dictator called for making utmost efforts to strengthen the security posture at this meeting while saying that people can prevent war by attaining superiority of national power with their united efforts.

This is a vicious confrontational instigation and a war mobilization order through which the puppets manifestly revealed at home and abroad that they would jump onto the road of military provocation against our republic by accelerating preparations for a war of northward invasion while putting up a signboard of the prevention of war.

Economic talks and the Red Cross talks are being held between the North and the South. The issue of holding North-South parliamentary talks has also been proposed.



All people are pleased with the opening of the closed channel of dialogue between the North and the South and the holding of North-South dialogue in various sectors and, because of this, they have become anxious for peace and reunification. The person in authority preached a war sermon at such a time, babbling about the superiority of power. This is an incident which cannot be overlooked.

Traitor Chon Tu-hwan poured cold water over the atmosphere of North-South dialogue and wounded the feelings of the people who are anxious for peace and reunification. Even though the South Korean puppets are babbling about dialogue with us, they are dreaming a different dream in reality. This is shown by the South Korean puppets' insincere attitude toward our peace proposal and all incidents taking place in South Korea.

As is well known, last year we proposed the holding of tripartite talks among the United States, South Korea, and us for the peace and peaceful reunification of Korea, and this year, the holding of North-South parliamentary talks and the announcement of a joint declaration on nonaggression. However, the puppets have not shown sincerity, but have been indifferent to or responded to our reasonable peace proposal irrelevantly. Indifference toward such an important issue relating to the nation's future as the issue of preventing war and easing tensions is a posture which can be adopted only by those who are dreaming of war against the same race.

The Chon Tu-hwan ring is strengthening its forces in South Korea on a large scale, reorganizing units in accordance with its offensive strategy for the northward invasion, and deploying them close to the Military Demarcation Line [MDL] at the instigation of the U.S. imperialists. The puppets also strengthened on a large scale the special forces which would infiltrate deep into the rear of the northern half of the republic and are digging more than 100 tunnels along an entire section of the MDL for use in a northward invasion. As was shown in the "Team Spirit-85" military exercise, military exercises against our republic are expanding rapidly. We cannot overlook the fact that the puppets are participating positively in the maneuvers to fabricate the U.S.-Japan-South Korea military alliance aimed at striking the northern half of the republic as its first target. The United States and Japan are planning to conduct a joint exercise over the airspace of the East Sea of Korea and Japan and South Korea, and decided to have warships of each country call at ports of the other side. This shows that the maneuvers to fabricate the tripartite military alliance have entered a completion phase and that this military alliance is currently operational.

Traitor Chon Tu-hwan is maneuvering to work out a scheme to provoke a war of northward invasion with his U.S. and Japanese masters. The puppets used to frustrate North-South dialogue while babbling to the people that they must have no illusion about or expectations from North-South dialogue and that the puppets should hold dialogue based on strong national power. The Chon Tu-hwan ring is treading the same path as the previous dictator.

Resolving the Korean problem peacefully through dialogue and negotiation is our consistent position. Our fellow people in the North and the South and the world's peace-loving people also want such a peaceful solution. The Chon Tu-hwan ring's vicious criminal act aimed at further accelerating preparations for a war of northward invasion and mobilizing innocent South Korean people to the adventurous road of war against the same race, running counter to the trend of the times, can never be forgiven.

We are increasing vigilance against the puppets' adventurous maneuvers to prepare for a war and carefully watching their every move. The puppets must act with discretion and discard their bellicose confrontational attitude or refusing to hold dialogue. The puppets will take full responsibility for all consequences which their anticommunist confrontation and military adventure may bring about.

PRC PAPER DEMANDS U.S. WITHDRAWAL FROM SOUTH

SK261101 Pyongyang KCNA in English 1003 GMT 26 Jun 85

[Text] Beijing June 25 (KCNA) -- Chinese PEOPLE'S DAILY carried a commentary on June 23 on the occasion of the month of anti-U.S. joint struggle. Demanding that the United States withdraw its troops from South Korea at an early date, the paper says:

The United States not only keeps a large number of troops in South Korea, but also incessantly stages large-scale military exercises together with the South Korean puppet army. This poses an obstacle to the peaceful reunification of Korea and at the same time a grave threat to peace and security on the Korean peninsula.

Over the past 35 years the Democratic People's Republic of Korea has made tireless efforts to realise a peaceful reunification of Korea. Since last year the DPRK has not only made proposals for holding tripartite talks, North-South parliamentary talks, etc. but also provided positive conditions for accelerating talks between North and South of Korea.

The South Korean authorities should prove their sincerity by practical deeds. The United States must withdraw its troops from South Korea at an early date and do no longer things unfavourable for the stabilization of the situation on the Korean peninsula.

China is a close neighbour of Korea. The Chinese people persistently support the Korean people's struggle for the independent and peaceful reunification of the country and hope for the relaxation of the tension on the Korean peninsula.

NEWLY-APPOINTED MEMBER OF CPV ENTERTAINED

SK260347 Pyongyang KCNA in English 0332 GMT 26 Jun 85

[Text] Pyongyang June 26 (KCNA) -- Major General Yi Tae-ho, senior member of our side to the Military Armistice Commission, on June 25 arranged a reception for Tian Sheng, newly-appointed member of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission.

Present at the reception together with the newly-appointed member were staffers of the Liaison Office of the CPV to the MAC and the Czechoslovak, Polish, Swedish and Swiss members and staffers of the Neutral Nations Supervisory Commission.

Speeches were made there. The reception took place in a friendly atmosphere.

WPK PROVINCIAL DELEGATION LEAVES FOR PRC

SK251610 Pyongyang KCNA in English 1636 GMT 25 Jun 85

[Text] Pyongyang June 25 (KCNA) -- A delegation of the North Pyongan Provincial Committee of the Workers' Party of Korea headed by Ko Yong-son, secretary of the North Pyongan Provincial Committee of the WPK, left Sinuiju on June 25 for a visit to Liaoning Province, China.

NORTH'S HELICOPTERS DEPLOYED IN COMBAT POSTURE

SK252259 Seoul THE KOREA TIMES in English 26 Jun 85 p 8

[Text] More than 60 of 87 U.S.-made Hughes helicopters diverted to north Korea have been already armed with various military weapons and are now deployed to positions ready to participate in actual maneuvers at any moment, informed military sources said yesterday.

The sources, however, did not reveal the kind of weapon systems installed in the American-made helicopters and also to which units they are assigned.

The helicopters, armed with modern weapons, could be a serious threat to the Republic of Korea, the sources said. Noting that many helicopters of the same version are also deployed to ROK military units, the sources explained, chaos might be expected in the air when the same aircraft crosses the Demilitarized Zone from the north and engages in aerial operations in the south.

In the meantime, Defense Minister Yun Song-min also disclosed in a statement issued on the occasion of the 35th anniversary of the Korean War that the American-made helicopters now in the north are heavily armed with weapons and are assigned to positions capable at any moment of carrying out their attack mission.

Yun said that the rather hasty programs of arming the Hughes helicopters with weapons, along with the import of homemade ROK Army uniforms and Homeland Reserve Forces by the north through third countries, must be aimed at achieving the Pyongyang's long and short range goals. The primary target of the Pyongyang plot must have been designed to hamper Seoul from hosting the Asian Games in 1986 and the Olympics in 1988, the minister said.

He urged in a statement for all armed forces to further reinforce watertight defense posture and deter such tactics by the north. He also said that the ROK-U.S. joint and combined defense systems would be continuously developed to that end.

ROK TO COUNTERPROPOSE DATE OF PRELIMINARY MEETING

SK260903 Seoul YONHAP in English 0855 GMT 26 Jun 85

[Text] Seoul, June 26 (YONHAP) -- A subcommittee of South Korea's National Assembly Wednesday completed the drafting of its reply to North Korea concerning the scheduling of a preliminary meeting for the inter-Korean parliamentary talks. The reply will be sent to Pyongyang on Friday or Saturday through a direct telephone line between South and North Korea after the Steering Committee endorses it on Friday.

Although the contents of the reply have not been published, it has been learned that the South Korean National Assembly will counterpropose that the preliminary meeting be held in late July, instead of on July 9, as suggested by Pyongyang.

After delivering the reply, the South Korean National Assembly will select members of the South Korean delegation.

Seoul and Pyongyang previously agreed to hold a preliminary meeting in preparation for the inter-Korean parliamentary talks, to be held in the truce village of Panmunjom.



GOVERNMENT TO DEMAND FLIGHT ROUTE TO CHICAGO

SK260028 Seoul THE KOREA HERALD in English 26 Jun 85 p 1

[Text] The government will demand that the United States open Chicago's O'Hare International Airport to Korean Air passenger and cargo service when the two countries hold economic consultations in Washington July 1-2.

A Ministry of Foreign Affairs official said yesterday the government will urge the United States to live up to a 1980 agreement under which Korean Air should have been allowed to extend its service from the present three American cities to three more, including Chicago, and on to Europe. The two other cities sought are Oakland and Anchorage. Korea's national flag carrier currently flies to Honolulu, Los Angeles and New York and can make technical landings at Anchorage.

The official said the memorandum was to be implemented under the condition that either an American airline or the Korean government builds an air cargo terminal at Kimpo International Airport.

A dispute developed over the condition when the designated U.S. airline, Flying Tiger, made "unacceptable" demands, including a 30-year use of the terminal once it is completed, 10 years more than allowed under Korean law. But the dispute was resolved when Korean and U.S. officials recently decided that the Korean Government should build the air cargo terminal and lease it to Flying Tiger and other U.S. carriers, the ministry official said. The United States, he said, must honor the 1980 memorandum now that the major obstacle to its implementation has been removed.

In addition to the demand that the United States offer Korean Air the rights to fly to Chicago, Oakland and Anchorage and on to Europe, the official said, the Korean government will explain its economic policy at the vice ministerial-level talks in Washington. Vice Minister of Foreign Affairs Yi Sang-ok will lead the Korean delegation to the two-day economic consultations, while the United States will be represented by Undersecretary of State for Economic Affairs W. Allen Wallis.

The official said the Korean delegates will emphasize that sustained economic growth is essential to the security of Korea, which currently spends 6 percent of its GNP annually on defense. He said the United States is expected to demand that Korea protect foreign intellectual properties, including copyrights and patents, recalling that the United States made similar demands at last year's economic consultations in Seoul.

The Korean delegates will try to head off trade conflicts between the two countries, the official said. Korea exported \$10.5 billion worth of goods to the United States last year while importing \$6.9 billion worth of commodities. Other topics to be discussed at the economic consultations include the transfer of U.S. technological know-how to Korea, he said.

JAPAN TARIFF CUT LITTLE HELP IN REDUCING DEFICIT

SK260025 Seoul THE KOREA HERALD in English 26 Jun 85 p 1

[Text] The Japanese "action program" of reducing customs duties will not be of much help in reducing Korea's trade deficit with Japan, a Ministry of Foreign Affairs official said yesterday. The official said the government will continue to urge Japan to open up its market for Korean products by further reducing tariffs.

Japan, he said, notified the Seoul government that it will reduce by 20 percent tariffs imposed on 22 of the 59 items which Korea demanded should be included in the action program. The Seoul government was also notified that two items will be exempted from customs duties. He said the 22 items are 17 manufactured items, including trousers and socks, and five agro-fisheries products. The two tariff-exempted items are agricultural products.

Tomio Uchida, counselor for economic affairs at the Japanese Embassy, was quoted as telling the Ministry of Foreign Affairs that his government made "political considerations" in reducing tariffs imposed on Korean-produced agro-fisheries and textile goods in spite of opposition from related Japanese industries and lawmakers. However, he said, the Japanese government took the measures in an effort to expand and balance the two-way trade between Korea and Japan, expressing the hope that the Korean government will appreciate the Japanese effort.

He told the ministry that the Japanese measures are expected to pave the way for an increase in Korean exports of manufactured goods to Japan. But the Korean ministry official said the Seoul government had expected Japan to reduce tariffs imposed on Korean products by 30 percent. The 20 percent reductions will not help much in reducing Korea's deficit in trade with Japan, which recorded \$3 billion last year alone, he said.

It was learned that the Japanese government will begin to implement the tariff reduction measures next April.

#### GUINEA BISSAU PRESIDENT ARRIVES ON STATE VISIT

SK250927 Seoul YONHAP in English 0704 GMT 25 Jun 85

[Text] Seoul, June 25 (OANA-YONHAP) -- Joao Bernardo Vieira, president of Guinea Bissau, arrived here Tuesday afternoon for a four-day state visit that includes summit talks with President Chon Tu-hwan.

Upon his arrival at Kimpo International Airport, Vieira was welcomed by Chon. He then attended a welcoming ceremony involving an honor guard inspection, a 21-gun salute and a presentation of the "key to Seoul." Attending the airport ceremony were Korean cabinet ministers, parliamentary leaders, foreign diplomatic mission chiefs and other dignitaries.

Vieira is accompanied by a 19-member entourage that includes Manuel Santos, minister of social equipment, and Mario Cabral, minister of commerce and tourism.

During the summit talks, scheduled for Wednesday, Chon and Vieira will discuss matters of common concern and the promotion of friendly and cooperative relations. The two leaders are expected to discuss ways to expand cooperation in trade and fisheries through the spirit of South-South cooperation. In addition, Chon is expected to ask the West African leader to help Korea improve its relations with African states that do not have diplomatic ties with Seoul.

During his visit, Vieira plans to attend the opening ceremony for Guinea-Bissau's honorary consulate here. His itinerary also includes a tour of Korea's major industrial facilities and the Seoul Olympic complex.

The visit will give Vieira the opportunity to compare the economic progress of South Korea with that of North Korea, a diplomatic source said. He visited Pyongyang in April 1982.

The Ministry of Communications Tuesday issued 3.4 million sheets of postal stamps to commemorate Vieira's visit.

## Summit Talks Held

SK260631 Seoul YONHAP in English 0623 GMT 26 Jun 85

[Text] Seoul, June 26 (OANA-YONHAP) -- South Korean President Chon Tu-hwan and President Joao Bernarado Vieira of Guinea-Bissau agreed Wednesday to promote the participation of Korean businesses in economic development projects in the West African country. In summit talks at Chon's residence here on Wednesday morning, the two leaders agreed to strengthen cooperation between their countries in the fields of economics, trade and diplomacy.

During their one-and-a-half-hour meeting, the Korean president explained to Vieira the political situation on the Korean peninsula and in Northeast Asia, Seoul's stand on national unification, and the ongoing inter-Korean talks. Vieira said that his government will fully support South Korea's position on those domestic and regional issues. Chon and Vieira also agreed that because of the arms race between the superpowers, and growing political and economic frictions in Northeast Asia, it is of vital necessity for developing countries to help one another in the spirit of South-South cooperation. They shared the view that to achieve their national goals, such as stability and economic development, cooperation is needed between developing nations.

Before the meeting, Vieira received a courtesy call from Korean Prime Minister No Sin-yong at the Silla Hotel, where he is staying. He then visited the national cemetery in eastern Seoul. Accompanied by a 19-member entourage, Vieira arrived here Tuesday for a four-day visit at Chon's invitation. Guinea-Bissau and South Korea established diplomatic relations in 1983.

NKDP TO DEMAND EXTRA ASSEMBLY SESSION ON AMNESTY

SK242332 Seoul THE KOREA TIMES in English 25 Jun 85 p 1

[Text] The main opposition New Korea Democratic Party [NKDP] has decided to demand convocation of a special National Assembly session "to launch political offensives" against the ruling camp unless the amnesty for Kim Tae-chung is realized by July 17, Constitution Day. The NDP, [New Korea Democratic Party] had earlier requested the ruling Democratic Justice Party to agree to hold an extra session in July to "tackle problems concerning people's economy."

In a meeting of leading officials yesterday, the NDP decided to take anew the amnesty issue, among others, in the envisioned special session, if the clemency is not given by the Constitution Day. The government has, so far, taken lenient measures for prisoners on auspicious days.

On the other hand, the party decided to handle people's economic problems in standing committees by calling them whenever necessary. As an initial step, the party will ask for the convocation of the Economy-Science Committee and Finance Committee to interpellate the government about the plan to give special loans to insolvent businesses by having the Bank of Korea issue banknotes.

DAEWOO WORKERS' SIT-IN SPREADS TO OTHER FIRMS

SK260030 Seoul THE KOREA HERALD in English 26 Jun 85 p 8

[Text] The disturbance at Seoul's Kuro Industrial Complex, prompted by a labor strike by workers of Daewoo Apparel Co., entered a new phase as some 950 workers of three other nearby companies staged sympathy sit-ins for the second consecutive day yesterday.

Daewoo Apparel closed its doors on Monday as an estimated 250 productionline workers began a labor strike, demanding the release of three labor union leaders who were arrested last week on suspicion of violating labor laws. Shortly after the Daewoo strike began, workers of nearby companies started sit-in demonstrations at their work-sites in support of the Daewoo strikers.

About 400 workers of Hyosung Corporation, which is located about 50 meters from Daewoo Apparel, staged a sit-in on the second floor of the workshop at 2 p.m. Another strike broke out at the Kuro factory of Karibong Electronics Corp. It was followed by a strike at the electronics company's Toksan-dong factory. A total of 500 workers were involved in the two strikes. About 50 workers of Sonil Textile Co. also staged a sit-in demonstration.

The Daewoo strikers demand that their labor union members -- Kim Chun-yong, 27; Kang Myong-cha, 23; and Chu Chae-suk, 23, be released immediately.

#### DISMISSED LABOR UNION LEADERS TO BE REINSTATED

SK242335 Seoul THE KOREA TIMES in English 25 Jun 85 p 8

[Text] Twelve former labor union leaders, who were fired from their work places under the government "purification" drive in 1980, will return to work soon.

According to the Labor Ministry yesterday it has decided to help reinstate the labor union leaders, including Kim Yong-tae, former president of the Federation of Korean Trade Unions, back to the companies to which they formerly belonged. The ministry's decision was made in parallel with the restoration of scholars and journalists, who were also dismissed under the 1980 measure, ministry officials said.

Kim Tong-in, president of the FKTU, Yi Yong-chun, secretary general of the FKTU, and former presidents and secretary generals of the FKTU reportedly requested Labor Minister Cho Chol-kwon to reinstate them recently.

#### STUDENT CONTACTS U.S. EMBASSY ON WALKER MEETING

SK260451 Seoul CHOSON ILBO in Korean 26 Jun 85 p 11

[Text] On 25 June, Kim Yun-hyong, a 22-year-old junior in the Department of Philosophy and cochairman of the Committee of Struggle for the Nation, the Masses, and Democracy in Seoul University and who is wanted by the police, telephoned Doris Stephens, second secretary for political affairs in the U.S. Embassy, three times from the office of the General Students Association of Seoul University and discussed the issue of meeting with U.S. Ambassador Walker.

Secretary Stephens revealed that in the first telephone conversation that morning, Kim proposed a working-level contact in Seoul University on the afternoon of 27 June for the meeting, but she demanded that the students come to the embassy.

THAI AIR, SEA, GROUND VIOLATIONS 16-22 JUN NOTED

BK241226 Phnom Penh SPK in English 1136 GMT 24 Jun 85

[Text] Phnom Penh SPK June 24 -- Thai aircraft on 17 occasions overflow areas from northern Anlung Veng to western Smat Deng in the week ended on June 22. Nine reconnaissance flights were spotted over Yeang Dangkum and Poipet, from three to five kilometres inside Kampuchean airspace. Particularly in Pailin, Thai aircraft operated some 20 kilometres inside Kampuchean territory.

At sea Thai vessels made 171 incursions into areas from six to 26 miles off the islands of Kaoh Kong and Kaoh Tang.

On the ground Thai forces made 18 shellings on areas of road 56 and southwestern Smat Deng (Pursat), northern Anglung Veng northwestern Pailin and western Ta Sanh (Battambang).

In the same period, groups of Khmer reactionary army remnants from Thailand penetrated into Kampuchea for sabotage. But they were duly punished by the Kampuchean border guards and the local population: 289 intruders were put out of action, including 228 taken prisoner, and 131 guns seized.

LAO MILITARY DELEGATION CONTINUES VISIT

Meets Chea Sim

BK241036 Phnom Penh Domestic Service in Cambodian 0430 GMT 24 Jun 85

[Text] During its official friendship visit to the PRK, the delegation of the Lao Army's General Political Department led by Comrade Lt Gen Siphon Phalikhan, member of the party Central Committee, deputy minister of national defense, and chief of the General Political Department of the Lao People's Army, was received in a cordial audience with Comrade Chea Sim, Political Bureau member of the party Central Committee, chairman of the National Assembly, and chairman of the KUFNCD National Council, at the Chamka Mon presidential palace on 23 June.

Comrade Lt Gen Siphon Phalikhan briefed Comrade Chea Sim on the activities of the delegation during its visit to Cambodia and expressed great joy at the all-round great achievements and successes of the Cambodian people, in particular the resounding victories won by the Army and people during the past 1984-85 dry season. At the same time, the comrade lieutenant general greatly rejoiced over the rapid growth of the KPRAF which is being strengthened and developed daily as far as its quality, capability, and combat tactics are concerned, thus ensuring the safeguarding of national independence and security for the lives of the people in their beautiful land of Angkor.

On the same occasion, Comrade Chea Sim highly appreciated the visit to Cambodia by the delegation, saying that it would bring about good experiences as well as further strengthening traditional friendly relations, bonds of militant solidarity, and cooperation between the Armies and peoples of the two countries in opposing the common enemies and in defending the revolutionary gains, the independence of each country, and peace in Southeast Asia and the world.

Comrade Chea Sim and the delegation exchanged souvenirs and expressed cordiality to each other in an atmosphere of joy and warmth.



## Visits Kompong Cham

BK250345 Phnom Penh Domestic Service in Cambodian 1300 GMT 24 Jun 85

[Text] A delegation of the Lao People's Army General Political Department, led by Comrade Major General Siphon Phalikhan, member of the LPRP Central Committee, deputy minister of national defense, and chief of the Lao Army's General Political Department, visited Kompong Cham Province on 23 June. Accompanying the delegation on this visit were Comrade Meas Kroch, deputy minister of national defense and chief of the KPRAF General Political Department; Comrade Phommachak, Lao military attache to the PRK; and many cadres from the PRK Defense Ministry.

Comrade Preap Pichey, secretary of the Kompong Cham Province's provisional party committee, warmly welcomed the delegation and expressed special solidarity and revolutionary fraternity to the delegation. He also informed the delegation of the all-round development in the province and throughout Cambodia by stressing the dry season victories won by our Armed Forces in cooperation with the Vietnamese forces in their offensives against the hideouts of the Pol Pot-Sihanouk-Son Sann bandits along the Cambodian-Thai border.

In his reply, Comrade Siphon Phalikhan, head of the delegation, highly valued the progress of the Cambodian revolution, particularly the all-round development in Kompong Cham Province. The comrade stressed that the bond of special solidarity and friendship of Cambodia, Laos, and Vietnam has been gradually strengthened and expanded on the basis of Marxism-Leninism. The comrade head of the delegation strongly condemned the maneuvers of the Beijing hegemonist-expansionists in collusion with the U.S. imperialists and Thailand, which has further provided the Pol Pot-Sihanouk-Son Sann remnants with sanctuaries.

The delegation also visited Mean commune, which is a model commune in Prey Chhor district, and called on our armed forces in Kompong Cham town.

Departs 25 June

BK251231 Phnom Penh SPK in English 1110 GMT 25 Jun 85

[Text] Phnom Penh SPK June 25 -- A Lao military delegation left here this afternoon after an eight-day official visit to Kampuchea. The delegation, led by Siphon Phalikhan, vice minister of defence and head of the General Political Department of the Lao Armed Forces, was seen off at Pochentong Airport by Meas Kroch, vice minister of national defence and head of the General Political Department of the People's Revolutionary Army of Kampuchea, and other Kampuchean military officials.

Also present to bid farewell to the delegation were Thongpen Souklaseng, ambassador of Laos; Phommachak Southisane and Vu Nha respectively Lao and Vietnamese military attache; and Yuriy N. Kobylitskiy, Soviet deputy military attache.

During the visit, the delegation was received by Chea Sim, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, chairman of both the National Assembly and the National Council of the United Front for Construction and Defence of the Kampuchean Fatherland; Bou Thang, Politburo member of the PRPK Central Committee, vice president of the Council [of] Ministers and defence minister; and Soy Keo, vice minister of national defence. It also participated in a meeting marking the 34th anniversary of the founding of the Kampuchean Revolutionary Army.

The Lao guests visited the genocidal museum of Tuol Sleng, the Army museum, the ex-royal palace, some industrial establishments in Phnom Penh and the provinces of Kandal and Kompong Cham.

PARTY SECRETARIAT CIRCULAR ON KPRP ANNIVERSARY

BK220917 Phnom Penh Domestic Service in Cambodian 1300 GMT 21 Jun 85

[15 June "Circular of the Party Central Committee Secretariat on Celebration of the 34th Founding Anniversary of the KPRP, 28 June 1951-28 June 1985"]

[Text] To further expand the victories won during the last dry season and to enhance confidence in the party's leadership among cadres, party members, the Armed Forces, and people with the aim of successfully implementing the party Central Committee Secretariat's plans on stimulating the rainy season tasks and the emulation movement to create feats for welcoming the coming fifth party congress, the party Central Committee Secretariat provides the following instructions on the celebration of the party's founding anniversary on 28 June.

1. All sectors at all levels must continue to analyze the resolution relating to ideological work and examine work on criticism and self-criticism.
2. Party cadres must organize life-style meetings in order to recall the six tasks of party members defined in the KPRP's statute and grasp the essence of these tasks.
3. The KUFNCD and mass organizations at all levels must disseminate among their members the speech concerning ideological work made by the comrade party general secretary at the meeting to analyze the resolutions of the party cadres' meeting. This is aimed at increasing the confidence in the party leadership and at turning knowledge of this work into actual deeds, thus ensuring the successful implementation of all rainy season tasks. Through the first meeting to sum up the outcome of the 5-good women emulation movement and the meeting to sum up the outcome of the 3-good youth emulation movement, select and introduce outstanding individuals into the party. Members of the party Central Committee and of the municipal and provincial provisional party committees must visit units and people in their respective localities. Pay particular attention to disseminating the victories scored by our revolution and the immediate tasks, thus encouraging workers, youths, and armed forces to successfully carry out the current rainy season tasks.
4. Newspapers, radio, television, SPK, and the Ministry of Information and Culture must organize propaganda plans for dissemination from 20 to 30 June 1985. The essence of the propaganda must be related to the party work, such as introducing model party members, giving advice on the sentiments and responsible tasks that the people from all walks of life must have toward the party and the new regime, encouraging all to enhance the traditional solidarity of the three parties and peoples of Cambodia, Vietnam, and Laos, and promoting the organization of mass artistic performances in all localities, thus creating a joyful atmosphere.
5. All central sectors, provinces, cities, districts, and communes must organize a meeting marking the party founding anniversary at their conference halls on 28 June 1985. In the central region, the committee for organizing national and international festivals and the KUFNCD National Council, in cooperation with the Phnom Penh municipal party committee, are responsible for organizing this meeting.

In cities and provinces, the provisional party committees are responsible for organizing the meeting in cooperation with the city and provincial KUFNCD committees. In districts and communes, the provisional party committees or party branches at district and commune levels are responsible for organizing the meeting in cooperation with the district and commune front committees.

The municipal and provincial provisional party committees and the central ministries and offices must report on the outcome of the implementation of this circular to the Central Propaganda and Education Commission before 5 July 1985 so that the commission can sum up and report to the party Central Committee Secretariat.

Slogans:

1. Warmly welcome the 34th founding anniversary of the party, 28 June 1951-28 June 1985!
2. Expand the dry season victories, continue to fight the enemies, stimulate the movement to persuade misled persons to return to the fold, and successfully carry out the 1985 rainy season rice production!
3. Emulate in creating feats for welcoming the fifth party congress!
4. Enhance national unity and internationalist solidarity!
5. President Ho Chi Minh, the founder of the Indochinese Communist Party, always lives with the cause of our country's revolution!
6. Long live the glorious KPRP!
7. Long live the glorious PRK!

[Signed] Say Phuthang, for the party Central Committee Secretariat, 15 June 1985.

PHNOM PENH DECRIES THAI REPATRIATION PLAN

BK260537 Phnom Penh Domestic Service in Cambodian 1300 GMT 25 Jun 85

[Station commentary: "Bangkok's Abominable Trick"]

[Text] On 19 June, the spokesman of the PRK Foreign Ministry issued a statement vehemently rejecting the plan for the so-called repatriation of Cambodian refugees publicized by the reactionaries in the Thai ultrarightist ruling circles. According to a report dated 14 June 1985 by the XINHUA representative in Bangkok, the Thai authorities are speeding up preparations for the repatriation of 230,000 Cambodian refugees in Thailand to a safe zone inside Cambodia. This repatriation will be carried out for several consecutive days under the supervision of the Thai authorities, the International Committee of the Red Cross, and other international organizations.

What is the true nature of the Thai authorities' so-called plan for the repatriation of Cambodian refugees? It is general knowledge that during the past few years, the Thai authorities have seasonally exploited the refugee issue in their support for activities against the Cambodian people by the Pol Pot remnants and the Cambodian reactionaries.

This perfidious, obsolete maneuver by the Thai authorities, in close collusion with the Beijing authorities, is aimed at concealing their evil nature and insane acts. However, these audacious acts have been repeatedly exposed and condemned by world public opinion. In the dry season, when the Pol Pot remnants and other Cambodian reactionaries were swept up and smashed by the Cambodian people and Armed Forces in close cooperation with the Vietnamese Army volunteers along the Cambodian-Thai border, the Bangkok authorities opened their border to let these traitors take refuge in refugee camps Thailand built along the border. The Thai authorities fostered and took good care of these traitors so that they would be strong enough to come back to again commit crimes against the Cambodian people. Moreover, through the use of force and the lure of humanitarian aid, they took Cambodian civilians into Thailand for use as cannon fodder. This is an erroneous and insane act committed by the Thai authorities in intentional violation of the international law on refugees.

During the past several years, the PRK has repeatedly made constructive proposals to the Thai side with regard to the repatriation of the Cambodian refugees, but the Thai side has rejected all these proposals. It should be recalled that Thailand has tied itself tightly to the chariot of war of the Beijing expansionists. Thailand has persistently pursued the reactionary policy of the Beijing leaders. Thailand has kept assisting the Pol Pot-Son Sann-Sihanouk remnants in their penetration into Cambodian territory to sabotage the Cambodian people's peaceful life. Thailand has built and maintained refugee camps as a center for capturing men to replenish the ranks of these weak and desperate remnants and as a pretext to receive funds from international, and humanitarian organizations. The Thai authorities want to gain more money from their control over the Cambodian refugees in this repatriation plan. They are using the refugees as merchandise to gain personal benefit. We vehemently reject this insane plan by the Thai authorities. We strongly demand that the Thai authorities immediately put an end to this abominable act, stop being obstinate, and give us a positive response. We are always ready to conduct a direct or indirect dialogue between the two parties -- Cambodia and Thailand -- in order to find a solution acceptable to both sides. Our proposal is always valuable.

If the Thai authorities continue to use the refugee issue for an inhuman goal acting in the service of the Beijing hegemonist-expansionists' policy against the PRK, they will be responsible for all the bad consequences of their criminal acts.

#### CAMBODIAN CHAIRMAN DISCUSSES NATION'S FUTURE

For an interview with Heng Samrin, chairman of the Kampuchean People's Revolutionary Council, in which he discusses Cambodia's recent history and its future with MOSCOW NEW TIMES special correspondent Viktor Tsoppi, see the Southeast Asia and Pacific section of the 26 June Soviet Union DAILY REPORT.

#### PAPER EXAMINES LOW MORALE OF SRV SOLDIERS

BK250314 Bangkok BANGKOK POST in English 25 Jun 85 p 5

[By Phichai Chunsuksawat]

[Text] Unequal treatment of South Vietnamese soldiers is contributing to the increasingly low morale among Vietnamese troops fighting in Kampuchea, intelligence sources told the BANGKOK POST yesterday. The unequal treatment of southerners compared to their northern counterparts, the sources claim, also contributes to a lethargic attitude of working on a "day-by-day" basis. It has also contributed to the number of defections which reached about 190 between October last year and May this year, the sources added.

The sources told the POST that these conclusions are based on interviews with the defectors presently housed in Phanat Nikhom of Chon Buri Province, refugee and non-communist resistance accounts.

In October last year when the dry-season offensive was grinding to a halt, about 10 Vietnamese troops defected. In November there were 16 and only 10 in December.

Numbers rose sharply, however, during the early months of this year's offensive to 40 in January, 40 in February and 60 in March alone.

Between April 21 to the end of May, the sources added, there were another 15 defections.

Although the sources did not specify the exact percentages or numbers, they claimed that most of the defectors are South Vietnamese.

The sources claim that apart from harsh conditions inside Kampuchea, a vital reason prompting defections is the unfair treatment of southern-born Vietnamese troops compared to the northerners.

The unfairness prompting defections, say the sources, encompasses areas such as promotion opportunities, medical treatment, administration and recruitment.

Although equal promotion opportunities exist for both northerner and southerner between the ranks of private to sergeant, careful screening is implemented if southern Vietnamese soldiers are to move higher up, sources added.

As in other armies, there are minimal educational requirements, namely, completion of the 7-10 Grade under the northern syllabus and 9-12 under the southern system.

The sources said, however, that for a southerner to become an officer depends also on other considerations.

Potential officers must come from "good" family backgrounds; have not served under the previous South Vietnamese Government; do not have relatives who fled overseas; and must obtain a written guarantee regarding their commitment to communism from their respective commanders.

The sources claim that 70 percent of soldiers assigned to technical units are northerners, adding that since these units are vital to operations they do not face the same hardships as frontline troops.

The sources implied that a greater proportion of frontline troops deployed in the dry-season offensive were made up of southerners while units with a majority of northerners act as support units.

The intelligence sources claim that South Vietnamese make up 70 percent of the non-commissioned officers fighting in Kampuchea while northerners take up about 90 percent of commissioned posts.

About 90 percent of those with the rank of major upwards are North Vietnamese, the sources added.

They contend that the one-sided proportion of commissioned and non-commissioned officers contributes to the low morale and the working on a day-to-day attitude among Vietnamese troops in Kampuchea.



Even in units where there is a southerner in command, usually to appease units comprising primarily of southerners, there is always a northerner as deputy looking over his shoulder, the intelligence sources claim.

The sources added that doctors and paramedics in field hospitals are usually North Vietnamese who tend to give preferential treatment not only to officers, but also northerners.

Vietnamese soldiers from the south, the sources claim, are sometimes given poorer quality medicine and often do not bother to see field doctors if they have minor illnesses.

The sources added that most of the Vietnamese defectors who cross the border are plagued with some illness or another. They said that of about 280 defectors who crossed over between January 1983 to the end of May this year, about 230 were ill.

The sources broke down the illnesses of various parts of the body as follows: Malaria: 24 percent, dental: 19 percent, skin: 16 percent, ear-nose-throat: 15 percent, digestive problems: 12 percent, brain: four percent, breathing and respiration: two percent.

About 70 percent of the defectors with illnesses were stationed in Battambang, Siem Riep and Oddar Meanchey Provinces, the sources said.

The sources admit that defections are highest during the dry-season because Vietnamese troops are close to the border in which case chances of crossing over are better, adding that 80 percent of defections occur in the Prachin Buri Province areas.

The sources admit that the Vietnamese use several tactics to boost the morale of their troops such as arranging for huge meals or banquets for regiments and divisions about two to three days before battle.

#### NONCOMMUNISTS TO WORK ON JOINT MILITARY COMMAND

BK260222 Bangkok THE NATION REVIEW in English 26 Jun 85 p 2

[Text] The two non-communist Khmer resistance forces have agreed to form an ad hoc committee to work out a structure for a joint military command to lead the two forces.

The agreement reached during a meeting last Tuesday between high-ranking representatives of the Army of Nationalist Sihanoukists (ANS) and the Khmer People's National Liberation Front (KPNLF) is seen as an effort to speed up the formation of the joint command, which was proposed quite a while ago.

A press release by the Sihanoukist movement, known as FUNCINPEC [National United Front an Independent, neutral, peaceful and cooperative Kampuchea] said that the meeting assigned the ad hoc committee to come up with a proposal over the issue for final approval in the next meeting of the representatives of the two forces which will be held "shortly."

"The meeting expected the ad hoc committee to submit its studies and proposals for final adoption at the next meeting as soon as possible," it said.

The meeting last Tuesday was chaired by ANS Supreme Commander Prince Norodom Rannarit. The ad hoc committee comprises newly-appointed KPNLF Chief-of-Staff Gen Dien Del, Dr Abdul Gaffar and Col Chhim Omyon of the KPNLF, ANS Chief-of-Staff Gen Teap Ben, Tol Lah and Gen Toan Chay of the ANS.

Dr Abdul Gaffar and Tol Lah were also named spokesman for the ad hoc committee.

The meeting also decided to uphold all principles contained in the declaration on the formation of the Coalition Government of Democratic Kampuchea (CGDK), signed on June 22, 1982, in Kuala Lumpur.

The coalition binds together the two non-communist forces with the Khmer Rouge, the biggest fighting force of the three. Efforts have been exerted once for the two non-communist forces to merge together to provide a "third alternative" and at the same time to attract foreign aid for the armed struggle against the Vietnamese occupation of Kampuchea.

The agreement reached during last Tuesday's meeting came after a reshuffle at the top brass of the KPNLF leadership which resulted in the rise to the post of KPNLF supreme commander Gen Sak Sutsakhan, a strong advocate for the merger of the two forces. Gen Dien Del was also made chief-of-staff in place of Gen Sak during the recent reshuffle. KPNLF President Son Sann formerly held the top military post of the KPNLF.

#### VONADK DETAILS ATTACKS ON SISOPHAN, PAILIN

BK260528 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 25 Jun 85

[Excerpts] Sisophon-south of Route 5 battlefield: At 0430 on 21 June, our National Army attacked Vietnamese battalion positions defending a regiment position at Hill 147. We launched this attack in four prongs. The first prong attacked the battalion position at Chamka Sreou. In this attack, we killed 65 Vietnamese soldiers, including 1 battalion commander, 1 company officer and 1 platoon leader, and wounded 25 others. We destroyed 25 AK's, 5 B-40's, 1 12.7-mm machine gun, 25 trenches, 15 barracks, and some war material.

The second prong attacked another battalion position at O Anlok Kraom. We killed 15 Vietnamese soldiers, wounded 12 others, and destroyed 9 AK's, 1 B-40, 1 12.7-mm machine gun, 1 RPD, 15 trenches, 12 barracks, and some war material. The third prong attacked the battalion position which is the defense line of a regiment position at Hill 147. In this prong, we killed 11 Vietnamese soldiers and wounded 13 others. We destroyed 1 120-mm mortar, 1 DK-82, 1 85-mm gun, 12 trenches, and some war material. The fourth prong launched a mine attack against a Vietnamese company sallying out of Hill 100 in an attempt to rescue its colleagues. We killed 35 Vietnamese soldiers and wounded 11 others. Among those killed were a company officer and a platoon leader. We destroyed 7 B-40's, 2 RPD's, 15 AK's, 2 pistols, and some war material. We seized a map and some war material. In sum, we killed 126 Vietnamese soldiers and wounded 61 others for a total of 187 enemy casualties.

Pailin battlefield: On the evening of 21 June, we attacked Snoeng commune office. After 30 minutes of fighting, we totally liberated this commune office; killed three Vietnamese soldiers; wounded five others; destroyed a commune office building, four barracks, and some war material; and liberated four villages, namely, Shoeng Khang Thong, Snoeng Kyang Cheung, Skou, and Samraong.

AMERICAN EMBASSY IN BANGKOK RECEIVES BOMB THREAT

BK260522 Bangkok BANGKOK POST in English 26 Jun 85 p 3

[Excerpt] A bomb threat by a man claiming to represent a Shi'ite Muslim group disrupted work at the American Embassy yesterday.

Police Chief Gen Narong Mahanon, who confirmed the threat, said the man telephoned the embassy off Wireless Road at 11.45 a.m. to warn that the bomb would go off in 10 minutes.

Explosives specialists and special branch policemen immediately arrived to find a cardboard box wrapped in brown paper on the groundfloor of a building near the embassy compound gate.

The box, which was carefully opened at a large empty field off Phahonyothin Road, reportedly contained female clothes which are now being checked by police.

Pol Gen Narong, who afterwards ordered tighter security and more patrols of all embassies by the Special Branch Division, theorised that the incident was designed mainly to "annoy" the embassy.

FINANCE MINISTER LEADS DELEGATION TO JAPAN

BK251134 Bangkok Voice of Free Asia in Thai 1030 GMT 24 Jun 85

[Text] A Thai delegation led by Finance Minister Sommai Huntrakun has left Bangkok for Tokyo to attend the second ASEAN-Japanese economic ministerial conference 22-28 June. The Thai delegation includes Commerce Minister Koson Krairoek, Deputy Industry Minister Chirayu Itsarangkun Na Ayutthaya, Deputy Foreign Minister Second Lieutenant Praphat Limpaphan, and other officials concerned. Investment, technological cooperation, and balance of trade will be the topics to be discussed with Japan. The Thai side will ask Japan to increase its investment in Thailand and to buy more Thai products.

PHICHAI SAYS JAPANESE TARIFF CUTS 'BENEFICIAL'

BK260134 Bangkok BANGKOK POST in English 26 Jun 85 p 1

[Text] Japanese tariff cuts and market-opening measures announced in Tokyo yesterday were praised by Deputy Prime Minister Phichai Rattakun as directly beneficial to Thailand and a good start in tackling the country's huge trade deficit with Japan in the future. The Japanese Government announced tariff reductions on some 1,860 products and issued a mid-term report on an "action programme" of market-opening measures to quell foreign criticism of Japan's huge trade surpluses.

Mr Phichai said the tariff cuts on 37 agricultural products directly benefit Thailand and Southeast Asian nations, and said the package was "a good start" in solving chronic trade deficits for Thailand. The deputy prime minister also urged Japanese companies in Thailand to try to promote Thai exports instead of concentrating on importing foreign goods.

But Mr Phichai expressed some concern over boneless chicken. He said the tariff cut on this item, whose export value amounts to between 500-1,000 million baht a month [as published], was only a "drop in the ocean" compared to Thailand's 40,000 million trade imbalance with Japan.

The tariff on this product is to be reduced from 18 to 14 percent. However, the tariff on chicken with bones, a major U.S. export product, is 11.3 percent and is to be reduced to 10 percent at the start of 1987.

Mr Phichai, who also heads a government subcommittee on restructuring Thai-Japanese economic relations, said Japan should adopt a new attitude of "buy more and sell less."

"The prolonging of present surpluses of trade in Japan's favour will shake the economies of the world, particularly the Third World. The problem needs to be resolved," he said.

Thailand's trade deficit with Japan is about 61.5 percent of the country's total deficit. The deficit with Japan has increased 30 percent over the past five years.

#### BRITISH OFFICIAL MEETS PREM, DISCUSSES TRADE

BK250402 Bangkok BANGKOK POST in English 25 Jun 85 p 13

[Text] Visiting British Minister of Trade Paul Channon has requested the Thai Government to support a British consortium led by Leyland to improve the bus service in Bangkok.

Mr Channon made the request during a courtesy call on the Prime Minister at Government House yesterday, said Deputy Commerce Minister Phairot Chaiyaphon, who was also present at the meeting.

In exchange for the desired support, Britain will reportedly buy more Thai products in addition to tapioca.

Meanwhile Dr Sano Unakun, secretary-general of the National Economic and Social Development Board (NESDB) disclosed that Mr Channon told Gen Prem that Britain wished to strengthen trade and economic relations with Thailand.

In 1983, Thailand suffered a 2,000 million baht trade deficit with Britain. This gap was reduced to 1,00 million baht last year and this year Thailand is likely to see a surplus in trade with that country, Dr Sano said.

#### OFFICER OUTLINES STEPS IN AIRPORT SECURITY

BK260140 Bangkok BANGKOK POST in English 26 Jun 85 p 1

[Text] Security at Don Muang Airport was further tightened yesterday following the recent spate of hijackings and sabotage attempts overseas, Don Muang Airport's chief security officer said last night.

Wing Commander Somchin Wannarak said he has instructed his staff to be on full alert to ensure complete security for outgoing passengers.

He said both bomb and weapons detectors had been installed at the domestic and international terminals.

"All outgoing passengers and their belongings are being thoroughly searched by the detectors installed at the departure lounges," he said.

He explained that the system was divided into two main areas, namely strict control in departure areas and the runway and searches for bombs and metal weapons.

He said about 5,000 to 6,000 outgoing passengers go through a security screen with handbags being sent through X-ray detectors while the passengers themselves pass through another machine which searches for anything metallic.

If metal is detected on the passengers another check is made with a hand-scanner, the security official added.

There are eight sets of detectors valued at two million baht at each of the departure gates of the international terminal and two at the domestic departure lounge, he said.

"The security team is responsible for the security of passengers' belongings while the airlines are responsible for luggage and containers which go in the cargo section of the planes," he added.

Wing Commander Somchin said problems over weapons often occurred in domestic terminals involving Thai passengers.

He added: "I get quite upset with these people, most of whom are government officials, who always try to break regulations."

#### MINISTRY COMMENTS ON PRC SHOOTING INCIDENT

BK250955 Bangkok BANGKOK WORLD in English 25 Jun 85 p 3

[Text] Stray bullets killed a Thai student and wounded three others during a melee in China's Guangdong Province two weeks ago, the Foreign Ministry said yesterday.

Quoting a report from Thai Ambassador to China Orachun Tanaphong, the ministry said three Thai students at a language school in Shantou, Guangdong, engaged in a brawl with a Chinese youth at the Long Hu Hotel on June 11.

A hotel security guard tried to stop the fight but was assaulted by the Thais who were then joined by more Thai students, it said.

The deputy special branch police chief of Shantou rushed to the scene and fired warning shots into the sky but this failed to stop the fight. Six more policemen were called in and seven more shots were fired at the floor.

The bullets ricocheted and wounded four Thai students. One of them died in hospital two days later while three others were still under treatment, the ministry said.

The Chinese authorities have vowed to give justice to all involved in the incident, it added.

#### TRADE DELEGATION VISITS EAST EUROPE, AUSTRIA

BK231000 Bangkok Domestic Service in Thai 0530 GMT 22 Jun 85

[Text] Deputy Commerce Minister Phairot Chaiyaphon and his party returned to Don Muang Airport at 0630 today after a tour of Hungary, Poland, the CSSR, and Austria.



He told reporters that the trip by his trade delegation, comprising businessmen from the private sector, to the four countries from 10 to 22 June achieved satisfactory results.

He said that during the visit to Hungary, a memorandum of understanding was signed on the establishment of a joint trade committee, and agreed to expand the trade volume between the two countries from the anticipated \$30 million in 1985 to \$50 million in 1988. The Thai side asked Hungary to consider buying fish meal from Thailand, agreeing to send samples of such products to Hungary for consideration. The delegation also proposed selling rice, rubber products, canned fruits, textile products, tin and others while Hungary asked Thailand to buy electricity generators, trucks, and medicines from that country.

While in Poland, the two sides signed a memorandum of understanding like the one signed with Hungary, to establish a joint trade committee and to increase trade volume between the two countries to \$50 million by 1988. Poland proposed buying tin directly from Thailand. The Thai side agreed to discuss this matter with the Thai Tin Traders Association and will inform Poland of the outcome to as soon as possible. The delegation also offered to sell various other products.

During the visit to the CSSR, the delegation held talks with the CSSR deputy foreign trade minister, who accepted an invitation to visit Thailand this year to discuss the establishment of a joint trade committee. Both sides agreed that the trade agreement signed in 1978 should be amended in order to pave the way for more direct trade. The CSSR also showed interest in Thai development projects, such as electricity generating projects, and the production of cement and machinery.

The deputy commerce minister said that during the trip to Austria, the Thai side also proposed setting up a joint trade committee, which was agreed to. Austria was also asked to help its trading companies set up warehouses to store products purchased from Thailand.

#### MINISTRY TO SCREEN LAO FOR REFUGEE STATUS

BK260148 Bangkok BANGKOK POST in English 26 Jun 85 p 3

[Text] Interior Ministry officials will begin screening displaced Laotians living in nine northern and northeastern provinces next Monday to determine if they should be granted refugee status or treated as illegal immigrants, an informed authoritative source disclosed yesterday. He said those who were not determined to be refugees would be repatriated to Laos.

District officers in areas where there are settlements of displaced Laotians will cooperate with local police and immigration officials in carrying out the screening which will be witnessed by representatives of the United Nations High Commissioner for Refugees. The source said the regional UNHCR office had already notified the Interior Ministry that Thailand could send back the illegal immigrants from Laos and Vientiane was willing to accept them back. The source, however, noted that even if Vientiane should refuse to accept the Laotians, Thai officials would go ahead with the repatriation programme "and the UNHCR should not blame us for acting inhumanely." The source said displaced Laotians who were not accepted as refugees could appeal to the respective provincial governors who would have the final say on the matter.

There are at present about 120,000 displaced Laotians scattered in nine northern and northeastern provinces of Thailand. About 600-700 Laotians arrive in Thailand each month, mostly in Nan, Nakhon Phnom, Mukdahan and Nong Khai Provinces.

LE DUAN DEPARTS FOR MOSCOW VISIT 25 JUNE

BK251532 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jun 85

[Text] A ceremony was solemnly held at the Presidential Palace on the evening of 25 June to send off the delegation of the CPV and SRV Government led by Comrade Le Duan, general secretary of the party Central Committee, on an official visit to the Soviet Union at the invitation of the CPSU Central Committee, the Presidium of the USSR Supreme Soviet, and the Soviet Council of Ministers.

The delegation includes Vo Chi Cong, member of the party Central Committee Political Bureau and secretary of the party Central Committee; To Huu, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Tran Quynh, member of the party Central Committee and vice chairman of the Council of Ministers; Vu Quang, member of the party Central Committee and head of the party Central Committee Foreign Relations Department; and Dinh Nho Liem, our ambassador extraordinary and plenipotentiary to the Soviet Union.

Attending the ceremony were Truong Chinh, member of the party Central Committee Political Bureau and chairman of the Council of State; Pham Van Dong, member of the party Central Committee Political Bureau and Chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly; Pham Hung, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of the interior; Van Tien Dung, member of the party Central Committee Political Bureau and minister of national defense; Chu Huy Man, member of the party Central Committee Political Bureau, vice chairman of the Council of State, and director of the VPA General Political Department; Vo Van Kiet, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and director of the State Planning Commission; Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers; Nguyen Duc Tam, member of the party Central Committee Political Bureau and secretary of the party Central Committee; Nguyen Co Thach, alternate member of the party Central Committee Political Bureau and minister of foreign affairs; Dong Sy Nguyen, alternate member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of communications and transportation; Nguyen Lam, Le Quang Dao, Hoang Tung, Tran Kien, and Tran Xuan Bach, secretaries of the party Central Committee; Le Thanh Nghi, member of the party Central Committee and vice chairman and concurrently general secretary of the Council of State; Vo Nguyen Giap, Vu Dinh Lieu, and Tran Phuong, members of the party Central Committee and vice chairman of the Council of Ministers; Tran Quoc Hoan, member of the party Central Committee and head of the party Central Committee Proselytizing Department; Nghiem Xuan Yem, Nguyen Xien, and Phan Anh, vice chairmen of the National Assembly; Huynh Tan Phat, vice chairman of the Council of State and chairman of the VFF Central Committee Presidium; Doan Trong Truyen, minister and general secretary of the Council of Ministers; Nguyen Viet Dung, director of the office of the National Assembly and Council of State; Nguyen Van Trong, deputy head of the party Central Committee Foreign Relations Department; Nguyen Minh Chuong, deputy head of the office of the party Central Committee; Hoang Bich Son, vice minister of foreign affairs; and many members of the party Central Committee, ministers, and representatives of various party Central Committee departments and mass organizations at the central level and in Hanoi.

Also present at the ceremony was the Soviet charge d'affaires to our country, Myakotnykh.

INDIAN PARTY GROUP MEETS WITH OFFICIALS

Welcomed by Truong Chinh

OW211629 Hanoi VNA in English 1604 GMT 21 Jun 85

[Text] Hanoi VNA June 21 -- A delegation of the Communist Party of India (C.P.I.) led by Chandra Rajeswara Rao, general secretary of the party's National Council, arrived here this afternoon for a friendly visit at the invitation of the Communist Party of Vietnam Central Committee.

The delegation includes N.D. Sundriyal, candidate member of the C.P.I. National Council and secretary of its International Department.

It was welcomed at the guest house of the C.P.V. Central Committee by Truong Chinh, political bureau member of the party C.C.; Hoang Tung, secretary of the party C.C.; Vu Quang, member of the party C.C. and head of its International Department; and Phan Dinh Vinh, deputy head of the party C.C.'s International Department.

Talks With Truong Chinh

OW221541 Hanoi VNA in English 1524 GMT 22 Jun 85

[Text] Hanoi VNA June 22 -- Talks were held here today between a delegation of the Communist Party of Vietnam led by Truong Chinh, Political Bureau member of the party Central Committee, and the visiting delegation of the Communist Party of India (CPI) led by Chandra Rajeswara Rao, general secretary of the party's National Council.

Present at the talks, on the Vietnamese side, were Hoang Tung, secretary of the party Central Committee, and Vu Quang and Phan Dinh Vinh, respectively head and deputy-head of the party Central Committee's International Department. On the Indian side was N.D. Sundriyal, candidate member of the C.P.I. National Council and secretary of its International Department.

At the talks, the two sides informed each other of their respective parties' activities and exchanged views on regional and world issues of mutual concern. They discussed measures to the mutual understanding, friendship and solidarity between the two parties, countries and peoples in order to make bigger contributions to the world people's struggle for peace, national independence, democracy and social progress.

The talks took place in a cordial and friendly atmosphere.

Le Duan Receives Group

OW231520 Hanoi VNA in English 1458 GMT 23 Jun 85

[Text] Hanoi VNA June 23 -- General Secretary of the Communist Party of Vietnam Central Committee Le Duan received at the party Central Committee's office here today the visiting delegation of the Communist Party of India led by Chandra Rajeswara Rao, general-secretary of the CPI National Council. Also present at the reception were Vu Quang, member of the CPV C.C. and head of its International Department; and Phan Dinh Vinh, deputy head of the department.

General Secretary Le Duan warmly welcomed the CPI delegation to Vietnam saying that its visit was a fine expression of and a contribution to the friendship and solidarity between the Communist Parties and peoples of Vietnam and India. He expressed his satisfaction at the identity of view at the talks here between the CPI and CPV delegations.

He said that this success would further strengthen the friendly relations and mutual understanding between the two parties and peoples and contribute to the struggle of the world people for peace, national independence, democracy and social progress.

Le Duan expressed his sincere gratitude to the CPI and the Indian people for their strong support and valuable assistance to the Vietnamese people's struggle for national independence and freedom in the past and national construction and defence at present. He wished the Indian people many new and still bigger achievements in national development. For his part, CPI General Secretary Chandra Rajeswara Rao expressed his joy to visit Vietnam, the homeland of President Ho Chi Minh, a great friend of the Indian people. He highly valued the successes achieved by the Vietnamese people under the leadership of the CPV in national construction and defence, which successes, he said, constitute a very important factor for making Southeast Asia a region of peace, stability, friendship and cooperation. He thanked Le Duan for the reception and asked him to extend his best wishes to President Truong Chinh, Chairman Pham Van Dong and the other Vietnamese leaders.

The reception took place in an atmosphere of cordiality and fraternal friendship.

#### UN ENVOY OPPOSES MILITARIZATION OF OUTER SPACE

OW251749 Hanoi VNA in English 1540 GMT 25 Jun 85

[Text] Hanoi VNA June 25 -- Addressing the meeting of the U.N. committee on the peaceful uses of outer space in New York on June 20, ambassador Le Kim Chung, acting head of the Vietnamese permanent mission to the United Nations, highly praised many countries' achievements in space control. At the same time, he expressed grave concern over the increasing threat of militarization of outer space.

He exposed the militarist circles' attempt to regain military superiority and said that these schemes are seriously threatening international cooperation in using outer space for peaceful purposes threatening world peace and security and human life.

Ambassador Le Kim Chung reiterated Vietnam's full support for all efforts and initiatives aimed at preventing the taking of the arms race into space and the militarization of space. He reaffirmed Vietnam's support for the Soviet Union's initiatives and proposals in this field including the proposal on signing a treaty whereby the countries pledge not to use force in outer space and not to carry out attacks on the earth from space.

He expressed support for Czechoslovakia's proposal on holding in Prague a seminar to discuss ways and means to use outer space for peaceful purposes.

He expressed Vietnam's interest in the application of space-control achievements to the development of the economy, science and technology and informed the audience of the results obtained by Vietnam in cooperation with other socialist countries under the inter-sputnik and intercosmos programs, with Laos, Cuba and some Southeast Asian countries, as well as with a number of international organizations and U.N. offices in this field.

He expressed the hope that Vietnam would receive more than U.S. assistance on this score in the coming period.

VO VAN KIET ON JOBS FOR YOUTH IN 3D PLAN PERIOD

OW241823 Hanoi VNA in English 1518 GMT 24 Jun 85

["Jobs for the Youth. Vo Van Kiet, Member of the Central Committee of the Communist Party of Vietnam, Vice-Chairman of the Council of Ministers, Chairman of the State Planning Commission," -- VNA headline]

[Text] [No dateline, as received] The Vietnam youth, motivated by a noble ideal and heroic aspirations, are the worthy continuators of their elders' work and a powerful force to take over the great cause of the motherland.

1986, the first year of the 3rd Five-Year Plan (1986-90) will be a year of great hopes. In my capacity as chief executive of the state plan, I believe and put great hopes in the youth of our country in the cause of national construction and defence as well as in the consolidation of the position of all the three countries on the Indochinese peninsula.

I must stress right away that a key point of the coming 1986-90 socio-economic plan is to continue linking labour with land, our two premier strong points, on the advance to socialism.

The redistribution of the workforce now under way does not simply mean a "decongestion of the population" nor a temporary expedient to overcome difficulties in our daily life. Those who have left or will leave are not doing so to earn their living but to achieve a much higher goal, i.e. to exploit the country's potentials and enrich it. Both the "old" and "new" areas must make leaping strides in productivity and output in order to lay the long-term industrial crops such as tea, tobacco, coconut, coffee and rubber, which are very promising product lines of our country. There may be three forms of redistribution of the workforce. First, there are provinces and cities (such as Hanoi and other cities and provinces in the Red River Delta) which have dense populations and a fairly abundant technical labour but little land and natural resources. Here, we must organize labour in a rational and stable manner along the line of broadening agricultural production and developing small industries, handicrafts and services. The remaining work force should be organized for reclaiming new land elsewhere. Secondly, there are provinces with a manpower surplus and large areas still to be reclaimed or not yet put to profitable use such as the provinces of Ha Son Binh, Ha Nam Ninh, Than Hoa, Nghe Tinh, Binh Tri Thien and Thuan Hai. Here, it is absolutely necessary to have a plan for on-spot redistribution of the workforce to do such work as afforestation, growing short-term industrial plants and further input of manpower for intensive farming. Thirdly, there are provinces with large land areas but sparse populations, particularly the central highlands, the eastern part of Nam Bo (south Vietnam) and part of the Mekong River. These are actually the main targets of our labour redistribution program where we may effect immediately large-scale production plans through crop specialization. As experience shows, we can encourage twinning relations between two districts of two provinces and apply the policy of combining the centre, the locality and the people in the building of the first material bases in these areas. The distribution of the work force must be done in a comprehensive way. There must be technical, managerial as well as Youth Union cadres. In Ho Chi Minh City, nearly 50,000 young people have joined the shock labour brigade to reclaim virgin lands and build new villages. This movement has had the effect of an explosion that broke off the old ideological and social shackles and dealt a deadly blow at the old hedonistic mentality which still lingers among some segments of our urban youth. The shock brigade has accomplished well its tasks in production, in fighting and serving the fight in all areas from the south to the central highlands.



Members of the Brigade have dug and moved nearly seven million cubic metres of earth, reclaimed vast areas of wilderness and planted 40,000 hectares of food and industrial crops, built three state farms and many "new economic villages". Their work is marked by a high degree of organization and discipline, good techniques and high productivity, and their income has been also quite high. But, more important and precious still is that they have formed a socialist lifestyle and from this form of labour thousands of good cadres have been trained for various levels and branches in the city. In Long An, young people are formed into regiments to go and reclaim waste lands in the plain of reed. In the third precinct of Ho Chi Minh City, a centre has been created to teach jobs to the young people before they join handicraft establishments. There will certainly be more diversified and attractive forms to organize the young people of our country into important productive forces.

#### TALK HELD FOR DPRK ANTI-U.S. STRUGGLE MONTH

Ow251754 Hanoi VNA in English 1525 GMT 25 Jun 85

[Text] Hanoi VNA June 25 -- A talk was arranged here this morning by the Vietnam Committee for Solidarity and Friendship With Other Peoples, the Vietnam-DPRK Friendship Association and the Vietnam Committee in Support of the DPRK, in honour of the Korean people's "month of struggle against the U.S." from June 25 to July 27.

Present at the talk were Le Thiet Hung, president of the Vietnam Committee in Support of the DPRK; Trinh Ngoc Thai, general secretary of the Vietnam Committee for Solidarity and Friendship With Other Peoples; Hoang Linh, vice-president of the Vietnam - DPRK Friendship Association; and representatives of the Foreign Ministry, the Party Central Committee's International Department, various public offices and mass organizations in Hanoi.

Ambassador Kim Chong-song and other members of the DPRK Embassy here attended the talk.

This evening, DPRK Ambassador to Vietnam Kim Chong-song held a film show opening the Korean people's "month of struggle against the U.S.".

Among those present on the occasion were Nguyen Chi Vu, alternate member of the Communist Party of Vietnam Central Committee and minister of light industry; and Vu Xuan Ang, assistant to the foreign minister. Representatives of the socialist countries' embassies here were also present.

On this occasion, the Vietnam-DPRK Friendship Association and the Vietnam Committee in Support of the DPRK sent a message of greetings to the DPRK - Vietnam Friendship Association expressing the Vietnamese people's solidarity with and support for the just struggle of the Korean people.

#### WORK OF 9TH NATIONAL ASSEMBLY SESSION REPORTED

BK251016 Hanoi International Service in English 1000 GMT 25 Jun 85

[Text] The ninth session of the Vietnamese National Assembly, seventh legislature, continued its work on Monday. The session discussed problems concerning Vietnam's first penal code and activities of the organs of control and court.

## Communique No 2 Issued

BK251458 Hanoi Domestic Service in Vietnamese 1430 GMT 25 Jun 85

[Communique No 2 of the Ninth Session of the Seventh SRV National Assembly]

[Text] At 0800 on 22 June, the National Assembly deputies visited the Ho Chi Minh Mausoleum to pay tribute to the late president. After the deputies had worked in groups, the National Assembly held a plenary session at the conference hall on the afternoon of 25 June. Vice Chairman of the National Assembly Huynh Cuong directed the session. The National Assembly heard Tran Phuong, vice chairman of the Council of Ministers, deliver on behalf of the Council of Ministers a report on the issue of prices, wages, and money; on abolishing bureaucratism and state subsidy; and on completely shifting to socialist economic accounting and business.

COUNCIL OF MINISTERS PROMULGATES EXPORT REGULATION

OW250855 Hanoi VNA in English 0755 GMT 25 Jun 85

[Text] Hanoi VNA June 25 -- The Council of Ministers of Vietnam has promulgated a set of new regulations aimed at promoting export and enhancing the management of export and import operations.

The new regulations point to the duty of all localities in the country to develop the production of export items and expand their export and import operations. All localities have the duty to complete at an early date the drawing up of their plans for export and import, especially the 1986-90 plan and the annual plan. The state shall increase investments in the production of export items and in the provision of materials for the production of export items through bank credits and by standing warrant for localities to borrow capital from abroad. The state shall assign import and export quota to different localities and production branches. If a production unit surpasses its export quota, it is entitled to export the above-quota products and own the foreign exchange earned therefrom; the state shall apply priority policies with regard to the supply of raw materials and ensure other conditions for the production of export items, as well as to the purchase of export products.

To guarantee the principle of monopoly of foreign trade by the state, the policy points out that all localities and production units engaged in export trade must be placed under the management of the Ministry of Foreign Trade in the matters of management of foreign exchange and transport means.

THAI STUDENTS PROTEST PURCHASE OF U.S. F-16'S

BK251131 Hanoi International Service in English 1000 GMT 25 Jun 85

[Text] Thai students have sent a letter to political parties in protest against their government's decision to buy modern F-16 fighters from the United States. They said that the decision will increase Thailand's foreign debt and further push the country into a bigger confrontation with Indochinese countries.

At an urgent meeting on Thammasat University campus last week, they decided to send their representatives to lay mourning wreaths in front of Prime Minister Prem's residence and the Thai Air Force command, and to distribute about 30,000 protest leaflets.

COUNCIL CREATED TO SPEED UP ECONOMIC RECOVERY

HK260344 Manila Far East Broadcasting Company in English 2300 GMT 25 Jun 85

[Text] President Marcos yesterday [25 June] created a presidential council that would work for the removal of the obstacles to the speedy implementation of the economic recovery program, including labor strikes. The president signed an executive order creating the council following a 5-hour Cabinet meeting in which the creation of a new body was extensively discussed. Among the aims of the council is to promote industrial peace and productivity so that the country would continue to be a reliable exporter.

During the meeting members of the cabinet proposed tougher measures to maintain the country's export position. One proposal was for the president to proclaim a grave national emergency to maintain industrial peace and ensure production.

## AFP Report

HK251356 Hong Kong AFP in English 1351 GMT 25 Jun 85

[Text] Manila, June 25 (AFP) -- President Ferdinand Marcos today created a presidential council with powers to call on any government agency, including the Army, to deal with strikes. Mr. Marcos said the council had been created to deal with an increasing number of strikes in the Philippines, which he said were obstructing full economic recovery, a presidential palace statement announced.

The president said that the new council, created after a marathon cabinet session presided by the chief executive today, was authorized "to call on any agency of the government, including the military, in carrying out its functions."

The cabinet had proposed even tougher measures, the palace statement said, including proclaiming a "state of grave national emergency" so that foreign investors would maintain their stakes in the country while keeping the export drive free from disruption. However, Mr. Marcos rejected their call, saying that the powers of the new council were sufficient to augment existing provisions of local labor laws.

The new council, comprising seven cabinet members, is to be responsible for promoting industrial peace and productivity so that the country could continue to increase the volume of its exports, the palace statement said.

The cabinet said the Philippines was still recovering from a severe crisis "while coping with a global environment of fierce competition in the various export markets."

A total of 127 strikes involving 30,975 workers hit Philippine firms in the first three months of 1985, according to Labor Ministry records, a 51 per cent increase over the same period last year. Labor Minister Blas Ople and Defense Minister Juan Ponce Enrile, both members of the new council, had said that a significant number of the strikes were orchestrated by the banned Communist Party of the Philippines.

The Philippines is aiming for a zero growth rate this year after the economy nose dived to register a growth rate of minus 5.5 per cent last year, its worst performance since the Second World War. Its foreign creditors last month granted a 3.9 billion dollar financial rescue package.

In calling for even tougher new measures during today's meeting, cabinet members said the industrial sector had expressed doubts on the capability of current laws and institutions to maintain industrial peace due to the disruptive strikes. "Any disruption in the production process will hamper government efforts to ensure price stability and restore a financial environment favorable to the attraction of investments," the cabinet reportedly said.

The other members of the council headed by Premier Cesar Virata are Trade and Industry Minister Roberto Ongpin, Justice Minister Estelito Mendoza, Local Governments Minister Jose Rono, and Budget Minister Manuel Alba.

#### OPPOSITION URGES MARCOS NOT TO DELAY ELECTIONS

HK241424 Hong Kong AFP in English 1320 GMT 24 Jun 85

[Text] Manila, June 24 (AFP) -- The country's largest opposition party today urged President Ferdinand Marcos not to delay local government polls scheduled next year, saying communist rebels would benefit from any postponement. "At the rate the economy is deteriorating while the rebellion continues to escalate, 1987 may be too late for any peaceful change through elections," United Nationalist Democratic Organization (Unido) President Salvador Laurel said in a statement.

Mr. Laurel, unanimously chosen as the party's standard bearer in the 1987 presidential elections, was reacting to Defense Minister Juan Ponce Enrile's earlier reported statement, in which he proposed that local and presidential polls be held at the same time in 1987 to save money.

Mr. Marcos' 20-year role has been beset by a fast-growing rebellion by an estimated 12,000-strong guerrillas of the New People's Army, the military wing of the banned Communist Party of the Philippines. At stake in the local polls are executive and legislative posts in 1,500 towns and cities and 173 provinces.

Some opposition figures had proposed synchronized polls in 1986, which would mean shaving one year off Mr. Marcos' current six-year term. The chief executive has issued conflicting statements on the matter.

Mr. Laurel said the people were tired of the ruling new society movement (KBL) party's "graft, corruption and inefficiency", and that "adding another year and a half to the local rule of the KBL may push the population further into the clutches of insurgency."

#### ENRILE WARNS OF LOSING WILL TO FIGHT COMMUNISTS

HK240211 Manila BULLETIN TODAY in English 22 Jun 85 pp 1, 10

[By Vicente B. Foz]

[Text] "If we lose the political will to fight the communist movement, we might as well move out," Defense Minister Juan Ponce Enrile told a gathering of businessmen and executives Tuesday night.

At the same time, Enrile warned the business community of the communists as "the real force" which the government has to contend with and should never underestimate. The defense minister spoke at a forum on "Dimensions of Insurgency in the Philippines" sponsored by the Harvard Business School Association of the Philippines at Manila Peninsula Hotel in Makati. Ramon R. Del Rosario Jr. is association president. Other speakers were Jaime V. Ongpin, president and executive officer of Benguet Corp. which lost some P7 million worth of logging equipment destroyed or taken by New People's Army members; Fred Pfleider, a sugar planter, who discussed the insurgency in Negros Occidental; and Guy Sacerdoti, bureau chief of FAR EASTERN ECONOMIC REVIEW, who said he has done a lot of "hiking" with both the NPA and the military.

The danger posed by the communists is "no laughing matter," Enrile said, for its "involves not only your freedom but also your very life." "Whether the president is Marcos or Laurel or anybody else, you'll still have to contend with the Marxist movement for at least a decade, and you will need billions of pesos to hopefully eradicate or control it," Enrile said. The next president, he said, may have to deal with a more serious insurgency problem.

However, Enrile said, it would take the local communists a lot of efforts to build up a military force sufficiently strong to match the Armed Forces of the Philippines. Thus, he said, unless it can organize a regular army, the New People's Army will remain a guerrilla group, "But I don't think strong enough to topple the government."

Enrile said the Communist Party of the Philippines may be capable of seriously threatening the Republic, in five years, if they are lucky, and in 10 years, "If we don't do anything about the problem."

Reporting on Regions 6 and 11 of the country, Enrile observed despite a continuing spate of violent incidents, public sentiment continues to be against the dissident movement. This, he said, belies fears in some quarters that the government is losing the battle for the "hearts and minds" of the people.

Ongpin disclosed that in April, 1982, the firm's logging station in Ifugao Province received a written demand to pay the NPAs a "revolutionary tax" of P25,000 a month. The rebels threatened to burn the logging equipment. Resisting the demand, Ongpin said, his firm succeeded in negotiating a peaceful withdrawal from the area without paying the tax, but a few hundred employees had to be laid off. Later, the laid-off employees persuaded the NPAs to allow the company to resume logging. On Dec. 6, 1983, Ongpin said, the NPAs burned eight Caterpillar engines and one generator, and took away equipment, all worth P2.5 million.

Last January, Ongpin reported, the NPAs burned another eight logging engines, two generators, and other equipment worth P4.6 million. In a letter, he said, the NPAs demanded P2 million, including back arrears, from the company's Bobok timber project, and another P2 million from the Heald Lumber Co.

In a separate letter, the NPAs asked for communication equipment, calculators, and a typewriter, even specifying their brands. They also demanded canned goods, including Target corned beef, luncheon meat, milk, and rice. Ongpin said his company did not give anything to the NPAs.

On Aug. 18-21, 1984, Ongpin said, NPAs occupied the firm's mine exploration camp in Lianga, Surigao del Sur, demanding payment of taxes and threatening to destroy the facilities in the area where the company had invested almost P21 million for developing a deposit.



Ongpin said his firm pulled out of the area peacefully. Since then, he said, the company has considered insurgency a very serious problem.

The people describe the NPAs as courteous, straightforward, and disciplined, while calling the policemen and soldiers as corrupt, bullying, and abusive, according to the sugar planter.

Pfleider said there is "near total alienation of the masses from the government."

#### CEBU LEADERS ASK FOR MEETING TO DISCUSS PROBLEMS

HK260447 Manila BULLETIN TODAY in English 24 Jun 85 p 5

[Text] Cebu City -- Cebu community leaders have asked for a meeting with Lt Gen Fidel Ramos acting AFP [Armed Forces of the Philippines] chief to discuss immediate solutions to the deteriorating peace and order problem in Cebu.

Separate telegrams were sent to Ramos by the newly-created Cebu Confederated Citizens Peace Council and opposition Members of Parliament Antonio Cuenco and Marcelo Fernon, requested a meeting with Ramos on Saturday.

The council is composed of 48 groups representing government entities, religious, civic and cause-oriented groups. The groups will also present to Ramos petitions and resolutions of multi-sectoral groups asking immediate action on the problem by relieving the Recom [Regional Command] 7 commander, the Metrodiscom [Metropolitan District Command] commander and the PC-INP [Philippines Constabulary-Integrated National Police] provincial commander.

#### ARMY PREPARES FOR ALL-OUT OFFENSIVE IN NEGROS

HK260538 Quezon City VERITAS in English 23 Jun 85 p 19

[By Xenia Tupas and Patricia Adversario]

[Text] The Armed Forces of the Philippines [AFP] is apparently gearing for an all-out offensive "to wipe out subversives" in Negros Occidental with the deployment of an undetermined number of troops and an armored vehicle after simultaneous attacks by New People's Army regulars on the Isabela town hall and the headquarters of the 3rd Scout Ranger Company, last May 26.

The government troopers were ferried to Bacolod early this month to beef up the newly-created Task Force Sugarland (TFS) now headed by Col. George Antonio Moleta. The TFS, created by Gen. Fidel V. Ramos "to preempt the rebels from taking advantage of the economic situation," is composed of the 3rd Scout Ranger Company, 7th Infantry Battalion based in Dancalan, Ilog, Special Action Company, 4th Infantry Division and the 331st in Bacolod, 332nd in Higarán, 338th in Cauayan, 334th in Sagay, all PC [Philippine Constabulary] companies.

A company of soldiers from the 15th Infantry Battalion in Mindanao, reputed to be a Presidential Streamer Awardee as "best infantry battalion," will be integrated with the 7th Infantry Battalion under the command of 1st Lt. Levy Juele, a native of Ilog town in the so-called Chicks area in southern Negros.

The armored vehicle, a commando V-150 model, believed to be the first used in Negros, was seen by thousands of Bacolod residents as it passed through major city streets on its way to the south.

Meanwhile, in a mimeographed manifesto, the New People's Army said that it can afford to fight government troopers. Said the manifesto: "If the NPA could easily strike at the well-trained and well-equipped Scout Rangers, there is no reason why other AFP units of inferior training and low morale cannot be crushed."

The NPA statement on the Isabela incident said that the raid "dispelled the image created by the reactionary military command of the invulnerability of the Scout Rangers, who -- though abusive and hated -- were supposedly elite troops, well-trained, battle-tested and veteran fighters, and were recipients of military awards."

But Col. Isagani de los Santos, the TFS commander who was relieved a week after the raid told a local daily that the Isabela raid was "a move in desperation on the part of the subversive terrorists who had been feeling the results of successful operations of Scout Rangers in the area" and in fact calling it "operation impossible."

The daring simultaneous raid done in broad daylight yielded 68 high powered rifles including an M60 submachinegun, 30 grenades and more than 10,000 rounds of assorted ammunition. Eleven soldiers, including the commanding officer, 1st Lt. Emmanuel Arroyo and seven civilians died as a result of the raid.

The NPA also expressed "sincere apologies" on the death of civilians saying it is their policy to minimize civilian deaths while at the same time reiterating their appeal to civilians to avoid the company of soldiers in public transport or on patrol.

It will be recalled that following the NPA ambush of a passenger jeepney in 1983 in Lawagon, Candoni town, Regional Unified Commander Brig. Gen. Isidoro de Guzman directed soldiers to refrain from riding public vehicles in critical areas. The ambush resulted in more than 10 civilian deaths with the NPA issuing an apology.

The mass movement of troops has prompted an officer of Task Force Sugarland to boast to VERITAS that "there is now no place in Negros that the military cannot go." But a red flag is now flying at the barangay high school at Bantayan, in Southern Negros Occidental. In an interview Lt. Col. Benjamin Banta, commander of the Seventh Infantry Battalion, Charlie Company confirmed reports that NPA men had already brought down the Philippine Flag and that insurgents have started teaching the communist doctrine in the high school.

Banta could not estimate how many NPA men are controlling the area. He could not also say whether the insurgents are planning to stage another offensive against the government although he knows that many residents want to evacuate but "are being harassed from doing so." The military will not divulge what they intend to do at Bantayan as "any move might involve the unnecessary killing of civilians."

As the Tagalog-speaking officer assesses the situation: "Maaawa Kayo sa tao. [you have to pity the people] People here are caught between two stones. Those in authority which is the state and those who are trying to upstage it. We often tell the people -- 'Kami ang gobyerno n'yo dito sa bundok kaya sa amin kayo maniwala.' [we're the government out here in the hills so you should heed us] But Banta reports that "people don't talk to our troopers because they are afraid."

Banta does not think that the NPA is getting stronger in South Negros but concedes that "they (the NPA) have showed some effectiveness recently. NPA armed fighters outside the Negros are now able to operate in the province and there could be some imports from Samar," Banta said.

A local paper published June 12-15 had also attributed a disclosure from former Task Force Sugarland commander Col. Isagani de los Santos that rebels from Samar and Bicol have arrived in Negros to augment their forces in Bacolod. The reported enforcement of communist troops closely followed the arrival of additional government troops in Negros.

ARMY SUFFERS 3 DEAD IN MISAMIS ORIENTAL CLASHES

HK260435 Manila BULLETIN TODAY in English 25 Jun 85 pp 1, 10

[By Casiano Navarro Jr]

[Text] Cagayan de Oro City -- A total of 47 suspected rebels and three Army soldiers have now been killed and five other persons were wounded after eight days of military operations against the New People's Army (NPA) in Claveria, Misamis Oriental, the military said.

An estimated 1,500 families have reportedly started to leave their homes in order to avoid being caught in the crossfire as government soldiers continue to pursue some 200 NPA rebels holed in at the foot of Mount Balatucan.

Opposition leaders here urged President Marcos to order an immediate ceasefire in order to enable "a safe and orderly evacuation" of peasant families. This proposal was expressed by Aquilino Pimentel Jr., Filipino Democratic Party-Laban national chairman, and Vicente Y. Imano, mayor of Tagoloan town.

However, Col. Mariano Adalem, commander of the 3/4 Brigade, said the peasant families need not be evacuated because areas being shelled are, according to him, way beyond thickly populated areas. Pimentel said refugees from Claveria town and other barrios subjected to artillery attacks have been flocking to Cagayan de Oro City and nearby towns, causing, he said, a serious strain on the city's resources.

Earlier yesterday, Adalem ordered Lt. Col. Baylon Platon, 2nd Scout Ranger Battalion commander, to coordinate with local officials in returning to their homes the estimated 1,500 peasant families.

In a telegram sent to President Marcos, Pimentel suggested that AFP [Armed Forces of the Philippines] acting chief of staff Lt. Gen. Fidel V. Ramos be ordered to conduct a dialogue with other government officials and church dignitaries led by Archbishop Patrick Cronin on how best to evacuate noncombatants and prevent undue destruction of farms.

Because of the military's operations, farmers have started selling their ripened tomatoes and other vegetables at a low price of P16 per 30 kilos. The wooden box in which the tomatoes are stored costs P10. Pimentel also asked Mr. Marcos to mobilize the Ministries of Social Services and Development and of Health, and the Philippine National Red Cross to extend relief services, particularly food and medicine to the refugees.

COLUMNIST WRITES ON SECURITY SITUATION IN PANAY

HK210909 Quezon City ANG PAHAYAGANG MALAYA in English 12 Jun 85 pp 4, 5, 6

["Town Crier" column by Vic Barranco: "Panay Under Control"]

[Text] Iloilo -- New armored cars of the AFP [Armed Forces of the Philippines] roll on patrol along provincial roads and highways all over the four provinces of Panay Island, Iloilo, Antique, Capiz and Aklan.

With apparent invincibility, they appear to have the problem of peace and law enforcement well under control.

The armored vehicles have now replaced the military jeeps which the AFP and the PC-INP [Philippine Constabulary-Integrated National Police] had been using in the anti-insurgency campaigns until early this year.

The appearance of these armored trucks reflects the worsening social, political and economic situation in Panay which had been relatively docile up to late last year. But even with these steel cars mounting machine guns, the military patrols cautiously roam only in the safety of daylight hours. The hours after sunset until the next dawn belong to the dissidents and the rebels. The military choose to avoid clashes with the reportedly well armed dissident groups which include probably the NPAs.

Innocent citizens who want to be left alone to mind their own work in the farms or their trades in the poblaciones [towns] are now more nervous and tense than they were a year ago, on observing that their communities and farms in Panay are getting to be the new killing fields after Mindanao, Isabela, Cagayan, Kalinga-Apayao, Samar, Bicol, Negros Occidental, and other areas which have been "liberated" by the dissidents and non-conformists in the Marcos regime. The numerous non-partisan civilians of Panay note with alarm also the proliferation of licensed private armies of Malacanang cronies and KBL Batasangeros [members of Parliament]. Those armed bodyguards look menacing, are trigger happy, and sworn to commit mayhem or murder in total obedience to a politician or a Malacanang crony, instead of to law and orderly society.

What is worse than the private armies whose faces and identities are exposed to the dissidents and the NPAs, is the multiplying incidence of killings by unknown, unidentifiable faces. They occur with greater frequency in Panay towns and barrios, these days, and nobody seems to care or put up a semblance of concern by conducting an inquiry into the clashes and killings. The municipal mayors have no control over police organizations which have been integrated into the constabulary. They are indifferent to chaos.

In January town market last May [as published], in bright sunshine and milling crowd, a stranger sneaked behind another stranger, pumped bullets into him as the rest of the market throng scampered to safety. The gunwielder walked quietly away without anybody caring a hoot who he was. The victim was identified, and by that process of mere identification, the case was closed.

Increasing cases of this kind happen all over Panay. The one-man ruler, with his oversized bludgeoning armed forces in uniform, plus plain clothes CHDUs, [Civilian Home Defense Units] secret marshals, Green Berets, sparrow units, diablo [commando] groups and other paramilitary forces who go by different names in Panay and western Visayas, cannot seem to cope with the worsening cases of violence, criminality, insurgency and killings in the region, which, ironically, the civilians believe, have been promoted inadvertently by the bad policies, by inaction or indifference and wrongdoings of the government men themselves.

Gov. Enrique A. Zaldivar of Antique, a KBL, is on the political warpath. He is set to bolt the party, a mere political club as it were, because he does not get any help from Mr. Ferdinand Marcos. Zaldivar would like to see Marcos act positively and decisively on the ambush case at the Antique killing fields of Pangpang River bridge where nine were killed on election eve last year.

PANAY NEWS, an influential independent newspaper in Iloilo, reported that Gov. Zaldivar suspected Batasangero Arturo Pacificador of having knowledge of the ambush and "would like to see Pacificador himself go behind bars."

Some AFP officers in the Regional Unified Command (RUC) of western Visayas with HQ here in Iloilo City have serious intramural quarrels that flare up in a tragic showdown which may involve numerous enlisted men or opposing sides. The case has the potential of snappily dividing loyalties of the Armed Forces in west Visayas.

One big case is that of PC Col. Rodolfo Hermosura who was (or still is) in the PC stockade on order of Brig. Gen. Isidoro de Guzman, Hermosura was arrested by Col. Reynaldo Acop for allegedly getting into the cockpit of Leganes town, near Iloilo City, allegedly with 30 heavily armed men, and "held hostage" some 400 civilians in the cockpit for eight hours.

Hermosura denied this charge completely, claiming he entered the cockpit with two military men, all of them unarmed, while some troops outside, with an armored car, surrounded the cockpit for unknown reason. To keep the hundreds of aficionados calm and safe, Col. Hermosura said he told them to remain quiet inside the cockpit. It was a confusing incident, but Col. Hermosura was detained incommunicado, could not even talk to a lawyer who wanted to help him. Up to this writing there had been no definite information on the action taken by the Ministry of National Defense or the AFP Chief of Staff despite the urgent nature of the case.

There is a breakdown of law and order in Panay, as there is in Negros Occidental. There are strong signs of anarchy all over Western Visayas region. Some day Western Visayas will just declare its autonomy. Once it decides on this with determination, other regions in the country which felt abandoned by the government, and where Marcos, the AFP and the Ministry of Local Governments are incapable of keeping order and maintain the normal functioning of government, many regions will follow suit and declare their respective independent political, economic and administrative status.

When this peaceful simultaneous declaration of autonomy happens, our dear motherland will be attractive for raping by the communists, or she may run away in the right direction to become a state of the American union. The sentiments of the Filipino people, the true Filipinos, are tipping heavier toward statehood status. Mark the word of the common man, the average Filipino, who wants the Philippines to be a state of America.

#### WORLD BANK INTERESTED IN HELPING SUGAR INDUSTRY

HK260733 Manila BUSINESS DAY in English 24 Jun 85 p 10

[Text] President Marcos yesterday said the World Bank [WB] has signified keen interest in extending financial assistance to the distressed sugar industry.

The President said this support could cover crop diversification for the single crop sugar lands of Negros and Panay islands and programs to improve the productivity of the sugar industry.

The chief executive said a WB mission headed by Sayed Hussain is scheduled to arrive today to meet with government officials and sugar industry representatives.



The Bank mission is expected to review the present situation in the sugar producing areas and to discuss with government and industry official a possible financial package to boost the industry which is reeling from one of its worst crises in several decades.

The president designated the Philippines Sugar Commission to serve as the lead agency in coordinating with the WB mission. Other agencies to participate in the negotiation are the National Economic and Development Authority and the Ministries of Agriculture and Food and Trade and Industry.

Kudlapur V.G. Krishna, agriculture division head of the WB East Asia and Pacific regional office, earlier telexed Economic Planning Minister Vicente B. Valdepenas Jr. that the financial institution is interested in supporting a possible program of alternative crops which may be "viable from agronomics and economics standpoints that have good market prospects."

Krishna also said the WB, which is the country's biggest source of long-term developmental loans, also wants to identify measures that would improve the productivity of the sugar industry, including such factors as handling and storage, transportation and processing.

According to Valdepenas, the WB also appeared interested in the alogas or ethanoil production program, which has been submitted for intitial foreign exchange cost funding to Japan's Overseas Economic Cooperation Fund. The ethanol production program is regarded as a long-term solution to the problems besetting the sugar industry.

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